# Invitation for Expression of Interest (IEOI – Individual Consultant

*Date:* 28 August 2025

## Waqf Fund Financial Sustainability Model and Associated Deliverables

1.      The Islamic Development Bank (IsDB) has approved an administrative budget for financing consulting services (the Services) for the above project. The Terms of Reference (TOR) of the Services is in Appendix A. The Services will be provided by consulting firm. IsDB will select and engage the Consultant in accordance with the IsDB Corporate Procurement Policy (Policy).

2.      IsDB now invites Expression of Interest (EOI) from potential individual applicants for consideration by IsDB in determining a shortlist of candidates to be invited to submit proposals. Depending on the number of the EOIs received and the qualifications of the applicants, IsDB may or may not short list all potentials who have submitted EOIs.

3.      Applicants who wish to submit an EOI should complete the EOI Form in Appendix B and submit it through IsDB's online IEOI facility or by email, fax or courier to the following authorized representative of IsDB:

Consultant Selection Panel
Islamic Development Bank
Email: Designated email address

**Appendix A:** Terms of Reference
**Appendix B:**  EOI Form

Appendix A

# Terms of Reference
## Development of the Waqf Fund Financial Sustainability Model and Associated Deliverables

## 1. Introduction

**The Waqf fund**: is a special account established by the Islamic Development Bank (IsDB) on 1 Muharram 1418H (May 7, 1997), with a mandate to support social development in Least Developed Member Countries (LDMCs) and Muslim communities in non-Member Countries. The Fund is governed by the Waqf Board of Trustees and is supported by two committees: the Executive Fund Management Committee and the Investment Committee—both operating in full compliance with the principles of Islamic Shari'ah .

## 2. Background

**Source of the Waqf fund resources:**

The Fund's income is generated from two primary sources:

1. **Investment income**, comprising net returns from the Fund's treasury and core investment portfolio.
2. **Non-investment income**, including contributions from IsDB's Ordinary Capital Resources (OCR) to support technical assistance and scholarship programs, income generated from funded programs, and resources mobilized through external partnerships.

These income streams are managed in accordance with the Fund's Spending Policy, which outlines clear guidelines for their allocation and use.

**Waqf fund expenditures:** The Fund finances a wide range of Special Assistance Programs in line with its developmental mandate, including scholarships, technical assistance, humanitarian relief, and the Islamic finance research.

Expenditures are governed by a structured Spending Policy that distinguishes between investment and non-investment income:

- **Non-investment income** is fully allocated to program-specific grants, subject to strict usage restrictions. Any unutilized funds are carried forward to the following year for use by the same program.
- **Investment income** is allocated annually based on a formula linked to the Fund's three-year average net assets, with defined minimum and maximum spending thresholds to ensure financial prudence and sustainability.

This disciplined approach ensures the Fund can achieve its developmental goals while maintaining long-term financial sustainability.

**Waqf fund investment policy**: The Fund operates under a Shari'ah-compliant Investment Policy Statement (IPS), approved in September 2024, which outlines a long-term strategy centered on capital preservation and sustainable income generation. This policy underpins the Fund's financial sustainability and guides the progressive buildup of the waqf corpus toward its target of ID 1 billion (approximately USD 1.44 billion), in full alignment with the Fund's governance structure and regulatory framework

## 3. Objective, Scope, and Methodology

The Financial Consultant will design and develop a full financial model in Microsoft Excel (Balance Sheet, Income statement and Cash flow statement) to project the financial performance of the Fund and track the financial sustainability thereof. the model should be structured with clearly defined input, calculation, output and scenario/sensitivity sheets. The Financial Sustainability Model will be tailored to achieve the waqf fund mandate and guarantee its long-term financial sustainability. Furthermore the model should be used to determine the spending capacity of the Waqf Fund year on year and provide key metrics/ratios to measure financial sustainability. The Consultant is expected to complete the following tasks:

1. Model Design and Architecture

- Develop a full financial model for the Waqf Fund in Microsoft Excel, structured with clearly defined input, calculation, output, scenario/sensitivity sheets.
- Ensure the model architecture is modular and allows for easy updates to assumptions, including return rates on the Fund's assets, asset allocations, and policy changes (spending and investment).

- Implement a documentation layer within the model, explaining all formulas, links, and variable sources to ensure periodic monitoring and tracking of sustainability and financial performance.

## 2. Portfolio Segmentation and Asset Structure

- Accurately reflect the Waqf Fund's dual portfolio structure:

### Legacy Portfolio

- Segment into non-liquidatable assets (e.g., illiquid and non-performing investments, loans, legacy assets, and other fixed assets), which are not part of the strategic asset allocation.
- Provide scenarios/assumptions for the liquidation of legacy assets and model all cash flows related to them.

### Core Investment  Portfolio

- Model new investments in line with the Strategic Asset Allocation (SAA).
- Track each segment's balance and contribution to income generation across the projection horizon.
- Build scenario and sensitivity analysis to understand the effect of draw downs and market turbulence on the sustainability of the Waqf Fund.

### .3. Investment Income Modeling

- Calculate projected annual investment income by applying asset-class-specific target return rates to yearly balances.
- Ensure the model can update asset returns and allocation shares annually or ad hoc.
- Clearly separate income generated by legacy assets from that of new (SAA-aligned) investments.

## 4. Non-Investment Income Projection

- Incorporate non-investment income streams, especially OCR contributions.
- Build a mechanism to manually or automatically adjust these figures annually, based on actual or revised forecasts.

## 5. Spending and Grants Module

- Translate the Spending Policy into a structured, rules-based grant approval model.

- Model approved grants by fiscal year based on available funding and allocation policy.
- Build logic to phase out grant disbursements over multiple years using assumed grant maturity profiles.
- Clearly differentiate between:
    - Approval (commitment year)
    - Disbursement (actual cash outflows across future years)

## 6. Program Costs  Estimation

- Build a cost module that captures:
    - Administrative costs (staffing, operations, governance)
    - Investment management fees
    - Compliance and advisory costs
- Allow for differentiation between fixed and variable costs, with inputs adjustable annually.

## 7. Liquidity Requirement Calculation

- Create a liquidity engine to calculate the minimum liquidity buffer required to meet financial obligations, based on:
    - Historical spending and disbursement patterns
    - Forward-looking grant and operating cost projections
    - Net cash flow requirements, including timing mismatches between inflows and outflows
- Include controls to signal when projected liquidity falls below the required threshold.
- Draw out stress scenarios to understand the implication of cash needs on asset disposal and portfolio rebalancing.

## 8. Balance Sheet and Income Statement Projections

- Generate multi-year projections for:
    - Balance Sheet: Assets, liabilities, and net assets
    - Income Statement: Revenues, expenses, surpluses/deficits, and reinvestments
    - Cash flow statement, taking into account cash investment yield, disbursements, administrative costs and cash inflows.
- Ensure changes in net assets reconcile with investment income, non-investment income, total spending, and reinvestment flows.

### 9. Scenario Analysis Functionality

- Build a scenario-testing module with at least three pre-set scenarios (e.g., base case, downturn, high-growth).
- Enable users to simulate variations in:
    - Investment returns
    - Net income allocation from OCR
    - Spending levels
    - Cost inflation
- Output the impact of each scenario on liquidity, sustainability, and net asset trajectory
- Stress testing the model under worst case conditions, using historical analysis, probabilistic analysis of investment income.

### 10. Sustainability Indicators and Dashboard

- Calculate and display key financial health metrics, such as:
    - Net income margin
    - Liquidity coverage ratio
    - Year-end fund balance vs. obligations (spending capacity v.s. actual spending)
    - Annual reinvestment rate
- Summarize key indicators in a user-friendly dashboard view within the Excel model

### 11. User Guide and Knowledge Transfer

- Develop a comprehensive user manual explaining:
    - Input locations
    - Update procedures
    - Assumption management
    - Model data integrity checks
- Conduct at least one training or handover session with internal staff to ensure capacity to independently operate and update the model

## 4. Deliverables

The Consultant shall deliver the following outputs, each meeting the highest standards of transparency, usability, and relevancy

1. Editable Financial Sustainability Model (Excel-Based)
   - A fully functional and modular Excel model structured into clear input, calculation, and output sheets.
   - Incorporates:
     - Legacy and liquidated portfolio segments
     - Investment income forecasts by asset class
     - Non-investment income projections (Net income allocation from OCR )
     - Spending plan and grant disbursement logic
     - Liquidity requirement calculation
     - Balance sheet and income statement projections
     - Scenario simulation engine
     - Dashboard of key financial indicators
   - Includes dropdowns, input fields, dynamic charts, and conditional formatting for ease of use.
   - Delivered with version control and a built-in audit trail (e.g., change log or assumption tracker).
   - Output of stress test and scenario analysis including probabilities of financial unsustainability defined as significant fall in the principal amount of the Waqf resources.

2. Technical Model Documentation (User Manual)

   - A step-by-step guide to using and updating the model, including:
     - Model architecture and tab structure
     - Data input instructions and assumption formats
     - How to update asset returns, spending, and OCR forecasts
     - Scenario testing instructions
     - Formula logic and internal data flows
     - Troubleshooting FAQ and version update protocol

3. Scenario Testing Toolkit
   - Integrated within the model and documented separately.
   - Includes at least three pre-configured scenarios:
     - **Base Case** (aligned with current policies and forecasts)
     - **Adverse Case** (e.g., market downturn, OCR shortfall)
     - **Optimistic Case** (e.g., strong returns, additional inflows)
     - **Distribution of future outcomes based on the investment returns distributions.**
   - Shows impacts on:
     - Net income
     - Liquidity adequacy

o Spending capacity
o Change in net assets
o Sustainability ratio to be monitored such as capacity over actual, probability of financial unsustainability etc.
- Includes a custom scenario input section for internal users to define future scenarios.

4. Executive Summary Report

- A standalone, professionally formatted document (5–7 pages) including:
    o High-level description of the model and methodology
    o Summary of projected fund performance (15-year horizon)
    o Key insights, risks, and strategic levers
    o Scenario comparison highlights
    o Policy and governance recommendations
- Suitable for executive committee and board-level discussions.

5. Presentation Deck -Summarize the entire Financial Sustainability Model and its findings.
- A concise, visually engaging PowerPoint presentation (15–20 slides) summarizing:
    o Project purpose and model structure
    o Key findings and projected outcomes
    o Scenario stress test results
    o Policy implications and proposed actions
- Designed for decision-making forums, with speaker notes included.

6. Handover and Capacity-Building Session
- Conduct a live (or recorded) training session with internal stakeholders.
- Objectives:
    o Walk through the model's structure and functionality
    o Demonstrate input updates and scenario simulation
    o Answer user questions
    o Provide editable training materials and a recording (if remote) for future reference

## 5. Working Modalities
- Consultant to work remotely with periodic check-ins.
- Collaboration with the Waqf Fund Section
- Access to historical data, policy documents, and program details will be provided.

# 6. Duration of the Assignment

- The assignment is expected to be completed within 4–6 weeks from contract signing. The consultant will be paid a lump sum amount of USD 45,000.

# 7. Selection Criteria

- After receiving the Expressions of Interest (EOIs), CVs, and supporting documents, a Consultant Selection Panel (CSP) appointed by IsDB will evaluate all submissions in accordance with IsDB procurement procedures. Assessments will follow the evaluation table and cover: (1) Education & Professional Certifications, (2) Relevant Specific Experience, (3) Institutional Experience, (4) Language Proficiency, and (5) Understanding of the Assignment & Proposed Approach. Scores will be assigned as per the table, and a shortlist of qualified candidates will be prepared accordingly.
- Evaluation and Weighting
- The evaluation will be based on 100% technical assessment. The consultant achieving the highest technical score will be invited for contract negotiations

| Criteria | How It Will Be Measured (based on EOI submission) | Maximum Points |
|---|---|---|
| 1. Education & Professional Certifications | From CV(s) provided in the EOI: • Master's degree in a relevant field (Finance, Economics, Actuarial Science, Statistics, or related) = 8 points • PhD in a relevant field = 10 points (only the highest degree is counted) • Relevant professional certifications (CFA, CPA, ACCA, CMA, FRM, or equivalent): One certification = +3 points; Two or more certifications = +5 points. Scoring rule: Points for education and certifications are added together but capped at 15 in total. | 15 |

| 2. Relevant Specific Experience | From CV(s) and project references: Minimum 8 years of experience in financial modeling, long-term financial projections, and sustainability frameworks for funds, endowments, or development institutions. Scoring formula: 30 points for 8 years + 4 points per additional full year, capped at 40 (partial years rounded down). | 40 |
|---|---|---|
| 3. Institutional Experience | From the assignment history in the EOI: • 5 points = At least one relevant assignment with IsDB or a comparable multilateral/international financial institution. • 10 points = Multiple relevant assignments with similar institutions. • 15 points = Extensive portfolio of similar assignments, including significant engagements with IsDB or comparable institutions. | 15 |
| 4. Language Proficiency | From CV(s) and self-declaration in the EOI: • English – Excellent/professional proficiency = up to 8 points (0–8 based on proficiency). • French and/or Arabic – Additional up to 2 points for excellent proficiency. Scoring rule: Combined English and French/Arabic score cannot exceed 10 points. | 10 |

| 5. Understanding of the Assignment & Proposed Approach | From the narrative section in the EOI describing the consultant's understanding and approach. Evaluated against five checklist items: (1) Clear restatement of objectives; (2) Methodology tailored to this assignment; (3) Coherent analytical framework (steps, tools, techniques); (4) Identification of credible data sources; (5) Identification of key risks and mitigation measures. Scoring: 0–8 points = 0–2 items satisfactory; 9–15 points = 3–4 items satisfactory; 16–20 points = all 5 items satisfactory. | 20 |
|---|---|---|
| Total | | 100 |

8. This is a Fixed Budget based Selection. The IsDB, as the Client, will select the Consultant that submits the highest ranked Technical Proposal without exceeding the budget indicated in the REOI and will invite the Consultant to negotiate the Contract

# 9. Instructions to Consultants

- Technical proposal demonstrating relevant experience and understanding of the assignment.
- Work plan and proposed timeline.
- Financial proposal.
- Examples of similar assignments completed in the past 5 years.

## 10.   EOI Submission for the assignment :

**Important Consultant instruction:** It is essential for all consultants to adhere to the designated email address provided below for any questions, queries, and proposal submissions. Emails sent to any other address listed below may not be acknowledged or considered as a submission from the consultant.

## 11.   Deadline for EOI/Proposal Submission: 11 September 2025

## 12.   **Contact for Clarification Email:** General - BCC2025-051 Waqf Fund Financial Sustainability Model and Associated Deliverables
[3335aa02.isdb.org@emea.teams.ms](mailto:3335aa02.isdb.org@emea.teams.ms)

## 13.   Expression of Interest Submission Email: EOI Submission - BCC2025-051 Waqf Fund Financial Sustainability Model and Associated Deliverables
[3335aa02.isdb.org@emea.teams.ms](mailto:3335aa02.isdb.org@emea.teams.ms)

# Appendix B
## Expression of Interest (EOI) by Applicant

[Copy the Name of the Assignment/Project from the IEOI ]

Date: _____

Consultant Selection Panel
Islamic Development Bank
Email: Designated email address

I have read carefully your Invitation for Expression of Interest for the captioned assignment/project and find the Terms of References (TOR) and Scope of Work match my skill mix and experiences for providing the services required in the TOR. I would like to express my interest for our firm being considered for the Shortlist. I understand that IsDB does not have an obligation that I must be shortlisted.

I have attached to this EOI supporting documents highlighting the relevant expertise and Experience for your consideration. Some of the key information is highlighted below:

### Personal Profile

Nationality:
Date of Birth:
Permanent Address:
Phone No.:
Email:

### Past Consultancy Assignment References
*[Notes to consultant: Please select most relevant consultancy assignments you have recently completed to demonstrate your technical qualifications and experience.]*

| Period | Client | Project | Country | Your role (As lead consultant or as member of a team?) | Value of the Contract |
|--------|--------|---------|---------|--------------------------------------------------------|-----------------------|
|        |        |         |         |                                                        |                       |

III.    Availability

I shall be available for the services from _____ to_____.

IV.    Eligibility Declaration

I, the undersigned, certify to the best of my knowledge and belief:

☐ I have read terms of reference (TOR) and Scope of Work (Appendix A), for this assignment.

☐ I confirm that the project references submitted as part of this EOI accurately reflect the experience of myself.

☐

I confirm that I have never been convicted of an integrity-related offense or crime related to theft, corruption and fraud.

☐ I understand that any misrepresentations that knowingly or recklessly mislead, or attempt to mislead may lead to the automatic rejection of the proposal or cancellation of the contract, if awarded, and may result in further remedial action, in accordance with IsDB's Integrity and Anti-corruption Policy.

*Name of the Applicant:*                    *Signature:*