



Request for Proposal

On

BCC2025-060

Hiring Consultant Services to Propose and Structure Shariah-Compliant
Variable Rate Financing Instruments for IsDB Ordinary Capital Financing.

For

Islamic Development Bank HQ

October 2025

LETTER OF INVITATION

6th October 2025

Consulting Services to Propose and Structure Shariah-Compliant Variable Rate Financing Instruments for IsDB Ordinary Capital Financing

1. The Islamic Development Bank (IsDB) has approved an administrative budget for financing consulting services for the above project. IsDB will select and engage the Consultants in accordance with the IsDB Corporate Procurement Policy (Policy).
2. IsDB now invites Proposals to provide the consulting services (Services) as described in the Terms of Reference. The firm will be selected using *Fixed Budget Selection (FBS)* following the procedures in this Request for Proposal (RFP).
4. The RFP includes the following documents:
 - Letter of Invitation (LOI)
 - Section 1: Definitions
 - Section 2: Instructions to Consultants (ITC)
 - Section 3: Data Sheet
 - Section 4: Eligibility Requirements
 - Section 5: Evaluation Criteria
 - Section 6: Standard Forms for Proposal Submission
 - Section 7: Terms of Reference (TOR)
 - Section 8: Consultancy Services Agreement (Particular Conditions of Agreement)
5. Please acknowledge the receipt of this Letter of Invitation and inform IsDB within 5 working days from the date of receipt of this Letter of Invitation:
 - (a) Whether or not you will be submitting a Proposal; and
 - (b) If so, whether you will be submitting a Proposal alone, as a Joint Venture or as a Lead Firm in an Association;
 - (c) In the case of a Joint Venture, whether or not you will be submitting as the Lead Partner.

Yours sincerely,
Zine Elabidine Bachiri
Director
Fin. Policies, Planning & Analytics

SECTION 1 DEFINITIONS

“IsDB” means **“Islamic Development Bank”**.

“IsDB Corporate Procurement Policy” is IsDB’s policy that sets out the general principles governing corporate procurement of IsDB. For details, please refer to www.isdb.org.

“Close relative” is defined as son, daughter, stepson, stepdaughter, adopted son, adopted daughter, mother, father, brother, sister, niece, nephew, grandmother, grandfather, granddaughter, grandson, aunt, uncle, cousin, stepmother, stepfather, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law.

“Consultancy Inputs” means the amount of the time in which the Consultant’s services are required to be performed during the term of the Contract. Unless otherwise provided in the Contract, Consultancy Inputs are measured in the unit of “Working Day”.

“Consultant”, for the purpose of this RFP, means “consulting firm”. A consulting firm may be private or public entity, or a non-government organization (NGO) or a Joint Venture of any of aforementioned, that has consultancy capacity and is invited to submit a proposal for the services and, if selected, shall provide the Services to IsDB.

“Contract” means the contract signed by the IsDB and the Consultant and all the attached documents listed in the Contract.

“Counterpart Facilities” means the facilities specified in the Data Sheet that shall be provided by the IsDB to the Consultant free of cost, and may include office accommodation, transportation equipment and other services.

“CQS” means Consultant’s qualification Selection.

“ETP” stands for **“Evaluated Total Price”**.

“Data Sheet” means the section of the RFP that contains specific data and information on the selection process and the services.

“Day” means calendar day, except where otherwise stated.

"Field Work" means the Consultant's work at an assignment location other than the city or province where the Consultant holds permanent residence or office.

"FBS" means "Fixed Budget Selection".

"Full-Time Employee" is an individual who is currently employed under a Contract or agreement of employment with the Consultant or the Sub-Consultant; has been employed by the Consultant or the Sub-Consultant for the last 12 consecutive months preceding the date of submission of the Proposal; is entitled to receive regular remuneration and benefits (e.g. social security, pension or medical contributions) from the Consultant or the Sub-Consultant; and is engaged to work for the Consultant or the Sub-Consultant for the number of hours per day and days per year that are considered the norm for full-time employees in the country of employment or in the country in which the person is assigned.

"Home Office" means the Consultant's work at the Consultant's own office or residence.

"HRMD" standards for **"Human Resources Management Department"**.

"Joint Venture" means a Consultant which comprises two or more Partners, each of which shall be jointly and severally liable to IsDB, if selected, for all the Consultant's obligations under the Contract.

"Lead Partner" is the Partner designated in the Power of Attorney to represent the Joint Venture or an association. Lead Partner is the Lead Firm in a Joint Venture.

"LCS" means "Least Cost Selection".

"Location of Assignment" means the place where the consultant is required to stay for providing the services in accordance with the contract. Further definitions are provided in the definitions of "On-Site Assignment" and "Off-Site Assignment".

"On-site assignment" means an assignment that requires the consultant to work on the Bank's premises (headquarters, Regional Offices, Country Gateway Offices).

"Off-site assignment" means an assignment that requires the consultant to work at a location other than IsDB's premises.

"Partner" means any of the entities that make up the Joint Venture and Partners means all such entities.

“Personnel” means qualified individuals provided by the Consultant and assigned to perform the Services or any part thereof. In this RFP, the term “personnel” may be used interchangeably with the term “expert(s)” or “member(s) of the Consultant team”.

“Proposal” means a technical proposal or a financial proposal, or both.

“QBS” means Quality-based Selection.

“QCBS” means Quality- and Cost-based Selection.

“RFP” means this Request for Proposal.

“Requesting Department” or “RD” means the department within IsDB that requests for the Services.

“Services” means the work to be performed as described in the Terms of Reference and pursuant to the Contract.

“Shortlisted Consultant” means the firms and/or joint ventures invited by this RFP for submitting proposals.

“SSS” means “Single Source Selection”.

“Sub-Consultant” means any person or entity with whom the Consultant associates for the execution of any part of the Services and for whom the Consultant is fully responsible.

“Terms of Reference” or “TOR” means the Section 7 of the RFP, which explains the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of ISDB and the Consultant, and expected results and deliverables of the Contract.

“Working Day” or “WD” means in the Terms of Reference (TOR) the day when the Consultant’s services are required or means in the Consultant’s invoices for payment the day the Consultant is required by the TOR to perform the services and the Consultant has done so.

SECTION 2. INSTRUCTIONS TO CONSULTANTS

1. **Selection Method** - IsDB intends to select Consultant from those listed in the Letter of Invitation using FBS for providing Services to the IsDB in accordance with the TOR in Section 7.
2. **Client** – The IsDB is the Client of the Services. The Requesting Department, the authorized representative of the IsDB and the contact details are indicated in the Data Sheet.
3. **Contract** - The Consultants are invited to submit Proposals for the Services. The Proposal will be the basis for contract negotiations. The Form of Contract is in Section 8.
4. **Reservation Clause** - Consultants shall bear all costs associated with the preparation and submission of their Proposals and contract negotiation, if selected. The IsDB is not bound to accept any proposal, and reserves the right to postpone or annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.
5. **Counterpart Support** - Where specified in the Data Sheet and at no cost to the Consultant, the IsDB shall provide the Counterpart Facilities for contract implementation specified in the Data Sheet and make available relevant data and documents relevant to the Services.
6. **Conflict of Interest** – IsDB considers a conflict of interest to be a situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with IsDB's policies, rules and procedures, or applicable laws and regulations and that such conflict of interest may contribute to or constitute a prohibited practice under IsDB's Group Integrity Policy which is accessible at www.isdb.org.

7. **Conflicting Activities** - Without limitation on the generality of the foregoing, Consultants (including Sub-Consultants) shall not be recruited under the circumstances set below:
- (a) Conflict between consulting activities and procurement of goods, works or services: Consultants that have been engaged by IsDB to provide goods, works or services for a project shall be disqualified from providing consulting services related to such project. Conversely, a Consultant hired to provide consulting services for the preparation of bidding documents shall be disqualified from subsequently providing goods, works or services resulting from or directly related to the consultant's services for such preparation.
 - (b) Conflict among consulting assignments: Consultants shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant. As an example, Consultants hired to implement a project shall not be hired again to conduct post evaluation of the same project.
 - (c) Relationship with IsDB staff: Consultants that have a business or family relationship with the IsDB staff member(s) who are directly or indirectly involved in any part of (i) the preparation of the TOR of the Contract, (ii) the recruitment process for such Contract, or (iii) supervision of such Contract may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to IsDB throughout the recruitment process and the execution of the Contract.
8. **Disclosure of Conflict of Interest** - Consultants have an obligation to disclose any situation of actual or potential conflict of interest. Failure to disclose such situations may lead to the disqualification of the Consultant or the termination of its Contract.
9. **Anticorruption** - IsDB's Corporate Procurement Policy requires that all IsDB staff as well as Consultants under IsDB Contracts, observe the highest standard of ethics during the selection process and in execution of such Contracts. IsDB:

- (a) will reject a proposal for award if it determines that the consultant recommended for award has directly, or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract in question;
 - (b) will sanction a party, including declaring ineligible, either indefinitely or for a stated period of time, such party from participation in IsDB financed activities if it at any time determines that the consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, an IsDB financed contract; and
 - (d) will have the right to require consultants to permit IsDB or its representative to inspect their accounts and records and other documents relating to consultant selection and to the performance of the Contract and to have them audited by auditors appointed by IsDB.
- 10. One Proposal** - Shortlisted Consultants, may only submit one Proposal. However, this does not limit the inclusion of Sub-Consultants in more than one Proposal. In each proposal, alternative experts shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position in the Proposal.
- 11. Validity** - The time period during which the Consultants' Proposals must remain valid from the deadline for the submission of Proposals is indicated in the Data Sheet. During this period, Consultants shall maintain the availability of thier personnel nominated in the Proposal. The IsDB will make its best effort to complete negotiations within this period. Should the need arise, the IsDB may request Consultants to extend the validity period of Proposals. Consultants have the right to refuse to extend the validity of their Proposals.
- 12. Eligibility** – The Consultant and all personnel proposed in the Consultant's Proposal must meet IsDB's eligibility requirements in accordance with IsDB's Corporate Procurement Policy. Details are in **Section 4 Eligibility Requirements**.

Consultants must seek clarifications following instructions in 15 if the Consultants have any question on eligibility.

13. **IsDB Member Country Preference** – The Consultant should check the Data Sheet if any preference is to be given to consultants from IsDB member countries for this selection. If a preference is indicated in the Data Sheet, Section 5 shall contain evaluation criteria on how such preference will be applied in the evaluation.
14. **Registration in IsDB's Database for Consultants (SAP ARIBA)** - A consulting firm, participating in the bidding for the Services shall be a legal entity and should register in the SAP AIRBA before the contract negotiations if the firm is selected for contract award and if the firm has not registered in SAP ARIBA P2P before.
15. **Clarification of RFP-** Consultants may request a clarification of any contents of the RFP no later than seven days (7) before the deadline for the submission of Proposals. The request for clarification must be sent by email or fax to the IsDB's authorized representative whose contact details are in Data Sheet. The IsDB will respond by email and/or fax. The response (including an explanation of the query but without identifying the source of inquiry) will also be sent by email and fax to all shortlisted Consultants except for cases where the query and answer involve company commercial information or personal information or information that is not appropriate for disclosure to a third party. Should the IsDB deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under 15.
16. **Amendment of RFP/Extension of Submission Deadline** - At any time before the deadline for the submission of Proposals, the IsDB may amend the RFP by issuing an addendum. The addendum will be sent to all shortlisted Consultants by e-mail and fax and will be binding on them. Consultants shall acknowledge receipt of all amendments through by email and/or fax. If the amendment is substantial, the IsDB may extend the deadline for the submission of Proposals in order to give Consultants reasonable time for taking the amendment into account in their Proposals. In any event, the IsDB can extend the deadline for the submission of Proposals at its discretion.

17. **Language** - The Proposal, as well as all related correspondences exchanged by the Consultants and the IsDB, shall be in English.
18. **Compliance with RFP** - In preparing their respective Proposals, Consultants are expected to examine in detail the documents comprising the RFP. Consultants whose proposals do not meet the requirements of the RFP may fail to meet the minimum qualifying score as indicated in the Evaluation Criteria in Section 5.
19. **Joint Venture** - For the purpose of submitting a proposal, a shortlisted Consultant may enhance its expertise for the assignment by forming a Joint Venture with non-shortlisted firms, in which case the Consultant and the Partners of the Joint Venture shall be jointly and severally liable under the Contract.
 - a) In the event that the Consultant constitutes a Joint Venture, the Consultant shall submit (i) a copy of the Joint Venture Agreement with its Technical Proposal and (ii) a power of attorney (executed by all partners) that authorizes the designated Lead Partner of the Joint Venture to act for and on behalf of the Joint Venture and to legally bind such Joint Venture in any contractual or similar documentation. Any Joint Venture agreement and Joint Venture power of attorney shall be attached to the Technical Proposal of such Consultant.
 - b) No shortlisted Consultant (including any Joint Venture partner) can associate with another shortlisted Consultant, and every Full-Time Employee of a shortlisted Consultant is not eligible to participate as an associate or Sub-Consultant of another Consultant shortlisted for the Assignment.
 - c) A shortlisted Consultant, in the case of a Joint Venture or an association (i.e., lead firm and sub-consultants), may add additional partners or associates/sub-consultants, subject to the restrictions in (ii) above, in its Proposal to broaden its range of expertise and experience.

- d) The Joint Venture Agreement shall identify the Lead Partner. All Partners in a Joint Venture shall sign the Proposal unless the Lead Partner is nominated to do so in the power of attorney.

20. Proof of Status - Prior to contract negotiations, the selected Consultant will be required to update or confirm its legal status as registered in the DACON. The proof of the legal status that should be entered into DACON may include certificate of incorporation (or registration, in the case of a partnership or joint venture) or any document required by the commercial laws of the relevant country establishing the Consultant's status to conduct or transact business as a legal entity.

21. Technical Proposal

- a) The Consultants are required to submit a Technical Proposal. The Technical Proposal shall provide the information required in the Technical Forms provided in Section 6.
- b) The Consultants must submit one CV for each and every position of key personnel as indicated in the Technical Proposal Evaluation Summary Sheet in Section 5. Proposals which do not comply with this requirement may be rejected.
- c) Should the Consultant wish to propose different number and combination of positions, it may do so by including a section named "Adjusted Team Composition" in its Proposal and attach the relevant CVs to this Section. Justifications must be provided if the adjusted team composition is proposed. The Client may consider this adjusted team composition after the Firm is selected based on the evaluation of its Proposal that complies with the original requirement in 21. a).

- 22. No price in Technical Proposal** - The Technical Proposal shall not include any financial information. A Technical Proposal containing financial details will be declared non-responsive.
- 23. Financial Proposals** - The Consultants are required to prepare the Financial Proposal using the Financial Forms provided in Section 6. All activities and items described in the Technical Proposal must be priced in the Financial Proposal. For non-remuneration (e.g. out-of-pocket) related omissions, any activities or items described in the Technical Proposal but not priced, shall be assumed to have been included in the prices of other activities or items provided for in the Financial Proposal. Consultants must note that **the total financial proposal shall not exceed the fixed budget indicated in the Data Sheet**. Any proposal exceeding this ceiling will be rejected.
- 24. Maximum budget** – Consultants must check Data Sheet whether there is an indication of maximum budget. If a maximum budget is indicated, Consultant must prepare financial proposal within the maximum budget. Proposals with a total price, inclusive of provisional sums and contingency when applicable, exceeding the maximum budget may be rejected.
- 25. Currencies** - Consultants may express the price of their services in any fully convertible currency of an IsDB member country, singly or in combination. The same currency/currencies shall be used in the Contract for payment if the Consultant is awarded a Contract.
- 26. Exchange Rates** – For evaluation purposes, all currencies in the financial proposals will be converted into US Dollars using the exchange rates prevailing on the Proposal Submission Date. The source of the exchange rate data is indicated in the Data Sheet.
- 27. Submission of Proposals**

- a) An authorized representative of the Consultant will sign the Technical Proposal Submission Letter and the Financial Proposal Submission Letter separately in the format provided in Section 6. The authorization shall be in the form of a written power of attorney accompanying each of the two separate Letters demonstrating that the representative has been duly authorized to sign. An authorized representative of the Consultants shall also initial all pages of the Financial Proposals.
- b) The Technical Proposal shall be submitted in one (1) original and three (3) copies and should be marked "Original" or "Copy" as appropriate.
- c) The Financial Proposal shall be submitted in one (1) original and should be marked "Original".
- d) If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- e) The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal" followed by the name of the assignment.
- f) The original Financial Proposal shall be placed in a sealed envelope clearly marked "Financial Proposal" followed by the name of the assignment.
- g) The two envelopes containing the Technical and Financial Proposals separately shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and name of the assignment, and be clearly marked **"Do Not Open, Except in Presence of the Official Appointed, Before [insert the time and date of the submission deadline indicated in the Data Sheet]"**. The IsDB shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be cause for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.

- h) The Proposals must be sent to the IsDB's authorized representative's physical address indicated in the Data Sheet and received by the IsDB at the specified address no later than the time and the date indicated in the Data Sheet, or any extension to this date in accordance with 16. Any proposal received by the IsDB after the deadline for submission shall be returned unopened.
 - i) The IsDB shall open the Technical Proposal immediately after the deadline for their submission. The envelopes with the Financial Proposal shall remain sealed and securely stored.
- 28. **No Influence on Evaluation** - From the deadline for the submission of Proposals to the time the Contract is awarded, the Consultants should not contact the IsDB on any matter related to the Proposal. Any effort by Consultants to influence the IsDB in the evaluation and recommendation for award of Contract will result in the rejection of the Proposal.
- 29. **Evaluation of Technical Proposals** - The IsDB shall evaluate the Technical Proposals on the basis of their responsiveness to the TOR, applying the evaluation criteria, specified in Section 5. Each responsive Proposal will be given a technical score. A Proposal shall be rejected at this stage if it does not respond to a mandatory requirement of the RFP or if it fails to achieve the minimum qualifying technical score of as indicated in Section 5.
- 30. **Notification of Technical Evaluation Results** - After the technical evaluation is completed, the IsDB shall notify those Consultants whose Proposals did not meet the minimum qualifying technical score or were considered non-responsive to the RFP, indicating that their Financial Proposals will be returned unopened after completing the selection process.

- 31. Opening of Financial Proposals** – Financial Proposals shall be opened by the Consultant Selection Panel in the presence of a representative from Corporate Procurement.
- (a) **Evaluation of Financial Proposals** - The IsDB will review the detailed content of a Financial Proposal. Financial Proposals will be reviewed to ensure they are complete (i.e. whether Consultants have priced all items of the corresponding Technical Proposal). For material omissions in remuneration, the IsDB will price them by application of the highest unit cost and quantity of the omitted item as provided in the other Financial Proposals and add their cost to the offered price and correct any arithmetical errors. If less than the prescribed minimum person months inputs are provided, the IsDB will increase the cost of the Proposal by applying the highest remuneration rate for the personnel, as the case may be, set out in the Proposal. When correcting computational errors, in case of discrepancy between a partial amount and the total amount the partial amount shall prevail; in case of discrepancy between words and figures, the words shall prevail. The evaluated total price (ETP) for each Financial Proposal will be determined.
- (b) **Opening and review of Financial Proposals** – Financial Proposals will be opened in the presence of the selection committee. Proposals with total price exceeding the fixed budget indicated in the Data Sheet shall be rejected and not evaluated further. No numerical financial score will be assigned. The Consultant submitting the highest-ranked technical proposal (among those within the budget) will be invited for contract award.
- 32. Negotiations** – Unless otherwise indicated in the invitation to contract negotiations, the negotiations will be held at the date and address indicated in the Data Sheet or through correspondence. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm by email or fax availability and DACON registration of all experts named in its Proposal. Failure in satisfying such requirements may result in the IsDB proceeding to initiate the negotiation process with the next-ranked Consultant. Representatives conducting

negotiations on behalf of the Consultant must have written authority to negotiate and conclude a Contract.

33. **Technical Negotiations** - Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan and schedule, organization and Personnel, and any suggestions made by the Consultant to improve the TOR. The IsDB and the Consultant will finalize the TOR, Personnel schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Scope of Services/TOR." Special attention will be paid to clearly defining the Consultancy Inputs and facilities required from the IsDB to ensure satisfactory implementation of the assignment.
34. **Financial Negotiations** - Not applicable under FBS. The total price offered in the Financial Proposal is fixed and shall not be subject to renegotiation. The Consultant's Financial Proposal must be within the fixed budget specified in the Data Sheet; no adjustments to fees will be made beyond this budget.
35. **Availability of Personnel** - Having selected the Consultant on the basis of, among other things, an evaluation of proposed Personnel, the IsDB expects to negotiate a Contract on the basis of the Personnel named in the Proposal. Before contract negotiations commence, the IsDB will require written assurances that the Personnel will be actually available. The IsDB will not consider substitutions prior to or during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. The IsDB may also request the replacement of any expert nominated by the invited firm who received a rating below 70% (average) or is deemed to be unsuitable for a proposed position. In the event that the IsDB requests a replacement, such replacement shall not have a unit rate exceeding the remuneration proposed for the original candidate by the firm in its Financial Proposal. Any proposed replacement shall have equivalent or better qualifications and experience than the original candidate and be submitted by the Consultant within the period of time specified in the

letter of invitation to negotiate. Failure to meet either of these requirements may result in disqualification.

36. **Conclusion of the negotiations** - Negotiations will conclude with a review of the draft Contract. To complete negotiations, the IsDB and the Consultant will sign the agreed Contract. If negotiations fail, the IsDB will invite the Consultant whose Proposal received the second highest score to negotiate a Contract.
37. **Award of Contract and Commencement of Services-** After completing negotiations, the IsDB will award the Contract to the selected Consultant and notify the other Consultants who were unsuccessful of such result. The Consultant is expected to commence the Services on the date and at the location specified in the Data Sheet unless otherwise notified by IsDB in the Notice to Proceed.
38. **Debriefing** - Consultants who were not awarded the Contract may request a debriefing from the IsDB within seven (7) days after receiving a regret letter from the IsDB, with respect to their respective Proposals.
39. **Confidentiality** - Information relating to the evaluation of Proposals and recommendations concerning award shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process until the publication of award of contract, except for the information explicitly permitted in this ITB.

SECTION 3 DATA SHEET

Reference Clauses in Section 3	Subject	Specifics for this RFP
1	Selection Method	FBS
2	Client	Islamic Development Bank Administrative Service Department
3	Client's Authorized Representative	Abdul Rasheed Chandio Corporate Procurement Specialist Agul@isdb.org
3	Client's Authorized Representative Physical Address	Islamic Development Bank Group 8111 King Khalid St. Al Nuzlah Yaman District. P.O.Box 5925 Jeddah 22332-2444 Kingdom of Saudi Arabia
3	Client's Authorized Representative telecommunication and electronic mail	CSP - BCC2025-060 Consultant Services on Variable Rate Financing for IsDB Member Countries 015c70dd.isdb.org@emea.teams.ms
3	Client's Authorized proposed Submission electronic mail	Submission - BCC2025-060 Consultant Services on Variable Rate Financing for IsDB Member Countries 12bade67.isdb.org@emea.teams.ms
4	Deadline for Submission	5:00 PM (Jeddah Time, GMT+3) on 1st November 2025
5	Counterpart Support	CSP - BCC2025-060 Consultant Services on Variable Rate Financing for IsDB Member Countries 015c70dd.isdb.org@emea.teams.ms
11	Validity	90
13	IsDB Member Country Preference	Not applicable
24	Maximum Budget	USD 43,021
26	Exchange Rates	XDR to USD (https://www.google.com/finance/ ; 28.09.2025)
33	Expected Date of Contract Negotiations	10 th November 2025

38	Expected Date and Location of Commencement of Services	20 th November 2025
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SECTION 4 ELIGIBILITY REQUIREMENTS

1. General Eligibility Requirements

- 1.1 The IsDB has no restrictions on the source of its corporate procurement provided such sources comply with the Boycott Regulations of the Organization of Islamic Conference, the League of Arab States and the African Union.
- 1.2 A consultant or consulting firm that is on any IsDB sanction or suspension list due to misconduct, administrative actions, integrity violations, poor performance or on any recognized terrorism list shall be ineligible for IsDB corporate procurement contract.

2. Specific Eligibility Requirements for Consultants

- 2.1. IsDB prefers to hire consultants from Member Countries. When such preference is to be applied in selecting consultants, the invitation for expression of interest and/or the request for proposals shall define how such preference will be applied in the selection process.
- 2.2. Consultants must be competent and qualified for the work they are hired to perform.
- 2.3. Consultants must be medically fit for their assignments, including any travel.
- 2.4. There shall be generally a six-month “cooling period” after an IsDB staff or a member of IsDB Board of Executive Directors has retired or resigned from IsDB before the person can be hired as consultant by IsDB.
- 2.5. Human Resources Management Department (HRMD) clears proposals to engage former Bank personnel for the first time as consultants to be contracted by the Bank.
- 2.6. Former Bank personnel normally shall not be contracted by Bank as consultant for an assignment longer than six (6) months.

- 2.7. Former Bank personnel whose employments with the Bank were terminated due to disciplinary actions shall be ineligible for being hired as consultant by the Bank.
- 2.8. There are generally no restrictions on hiring spouse, close relatives of Bank personnel as consultant provided that the consultant is not hired for an assignment in the same department of, or supervised directly or indirectly, by the consultant's spouse or close relative. Close relative is defined as close relatives as son, daughter, stepson, stepdaughter, adopted son, adopted daughter, mother, father, brother, sister, niece, nephew, grandmother, grandfather, granddaughter, grandson, aunt, uncle, cousin, stepmother, stepfather, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law.
- 2.9. Close relatives of consultants currently engaged by the Bank may not work as consultants if such engagement creates an actual or potential conflict of interest situation.
- 2.10. Civil servants (public sector employees working for a government department or agency) may only be hired under consulting service contracts with the Bank, either as individuals or as team members of a consulting firm, if they are on leave of absence without pay, and are duly authorized to work under an IsDB consulting service contract and their employment would not create a conflict of interest. A letter from the candidate's agency may be required to certify that these requirements are met. Once engaged by IsDB as consultant, such individuals shall serve in their own capacity and shall not represent any government organization or any entity external to IsDB.
- 2.11. A consultant who is currently contracted by the Bank on a full-time assignment must not work as a consultant, resource person or service provider for another Bank financed contract, and for any other employer or project. A consultant who is currently engaged on an intermittent assignment for the Bank is allowed to work on another intermittent assignment, provided that the user-departments concerned are convinced that there would be no overlapping in working days and no conflict in time schedule and no conflict of interest between the assignments in question.

SECTION 5 EVALUATION CRITERIA

1. Technical Evaluation Criteria

1.1 Technical Proposal Evaluation Summary Sheet - Each consulting firm submitting proposal shall be evaluated based on the criteria specified in the table below.

Evaluation Criteria		Max. Weight	Firm 1		Firm 2		Firm 3		Firm 4		Firm	
A. Firm's Qualification		20										
a	Experience in similar Projects	15										
b	Experience in similar Geographic Areas	5										
B. Methodology and Work Program		30										
b.	Quality of Methodology	10										
c.	Innovativeness/Comments on TOR	5										
d.	Work program	5										
e.	Personnel Schedule	5										
g.	Proposal Presentation	5										
C. Qualifications of Key Personnel		40										
a.	Team Leadership *	10										
b.	Team Member 1	10										
c.	Team Member 2	10										
d.	Team Member 3	10										
e.	Team Member 4											
f.	Team Member 5											
g.	Team Member 6											
h.	Team Member 7											
D. Transfer of Knowledge/Training		10										
Total		100										

1.2 Personnel Evaluation Sheet - Each member of key personnel proposed by each consulting firm shall be evaluated based on the criteria specified in the table below.

Position/Area of Expertise	Name	General Qualification	Specific Experience s Relevant to TOR	Experience in the Region	Language	Total
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			20%		60%		15%		5%		
			Rating	Score	Rating	Score	Rating	Score	Rating	Score	
a.	Team Leadership *										
b.	Team Member 1										
c.	Team Member 2										
d.	Team Member 3										
e.	Team Member 4										
f.	Team Member 5										
g.	Team Member 6										
h.	Team Member 7										
Rating : Excellent 95%-100% Very Good 90%-94% Above Average 80%- 89% Average 70%-79% , Below Average <70%, Non-Complying 0% Score : Rating x percentage assign* <i>* The Team Leader must be expert</i>											

1.3 Minimum Qualifying Technical Score: 75

2. Weight Distribution in Final Score: Not applicable under FBS (selection is based on technical ranking only; financial scores are not used).

3. IsDB Member Country Preference: Not Applicable

SECTION 6. STANDARD FORMS FOR PROPOSAL SUBMISSION

[Instructions to Consultants: *Comments in brackets [] provide guidance to the shortlisted Consultants for the preparation of their Technical Proposals; they should not appear on the Technical Proposals to be submitted.*]

6.1 Standard Forms for Technical Proposals

TECH-1 Technical Proposal Submission Form

TECH-2 Consultant's Organization and Experience

TECH-3 Description of the Approach, Methodology and Work Plan

TECH-4 Curriculum Vitae (CV) for Proposed Professional Experts

TECH-5 Personnel Schedule

TECH-6 Work Schedule

6.2 Standard Forms for Financial Proposals

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Financial Proposal

FIN-3 Remuneration

FIN-4 Other Expenses

Form TECH-1 Technical Proposal Submission Form

[*Location, Date*]

To: [*Name and address of IsDB*]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [*Insert title of assignment*] in accordance with your Request for Proposal dated [*Insert Date*] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We are submitting our Proposal in association with_____/as a Joint Venture:
[Insert a list with full name and address of each joint venture partner or associated firm].¹
Attached is the following documentation: [Joint Venture Agreement or letters of association]²

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

Our Financial Proposal shall be binding upon us and shall remain valid until the expiration of the validity period indicated in Clause Reference 11 of the Data Sheet. We confirm that our proposed price is within the fixed budget specified in the Data Sheet and includes all costs necessary to complete the assignment. Our proposal is fixed and shall not be subject to renegotiation.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in Clause Reference 37 of the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____
Name and Title of Signatory: _____
Name of Firm: _____

¹ [Delete in case no association or Joint Venture is proposed.]

² The relevant agreement must identify the lead Joint Venture partner or associate and specify the lead firm's authority to sign for, and on behalf of, the Joint Venture or association. For Joint Ventures, the Joint Venture agreement must include an undertaking of joint and several liability by each Joint Venture partner

Address: _____

Form TECH-2 Consultant's Organization and Experience

1. Consultant's Organization

[Provide here a brief (not more than two pages) description of the background and organization of the Consultant (including associate firms) and, if applicable, Sub-Consultant and each joint venture partner for this assignment.]

2. Consultant's Experience

[Using the format below, provide information on each assignment for which your firm, and each associated firm or joint venture partner for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an joint venture for carrying out consulting services similar to the ones requested under this assignment. Please include not more than 10 of the most recently completed assignments.]

Assignment name:	Approx. value of the contract (in current US\$ or Euro):
Country: Location within country:	Duration of assignment (months):
Name of IsDB:	Total N° of person-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	N° of professional person-months provided by the associated firms or joint venture partners or the Sub-Consultants:
Name of Joint venture partner, if any:	Name of senior regular full-time employees of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	

Description of actual services provided in the assignment:

Firm's Name: _____

Form TECH- 3 Description of Approach, Methodology and Work Plan for Performing the Assignment

[Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal in the following three chapters:

1) Technical Approach and Methodology

[In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.]

2) Work Plan

[In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones, and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology,

showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form TECH-7.

3) Organization and Personnel

[In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support personnel. You shall also specify if you will be the lead firm in a joint venture. For joint ventures, you must attach a copy of the relevant agreement.]

Form TECH- 4 Curriculum Vitae (CV) for Proposed International or National Experts

1. **Proposed Position** *[only one candidate shall be nominated for each position]:* _____
2. **Name of Firm** *[Insert name of firm proposing the expert]:* _____

3. **Name of Expert** *[Insert full name]:* _____
4. **Date of Birth:** _____ **Citizenship:** _____
5. **Education** *[Indicate college/university and other specialized education of expert, giving names of institutions, degrees obtained, and dates of obtainment]:* _____

6. **Membership in Professional Associations:** _____

7. **Other Trainings** *[Indicate significant training since degrees under 5 - Education were obtained]:*

8. **Countries of Work Experience:** *[List countries where expert has worked in the last ten years]:*

9. Languages *[For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]:* _____

10. Employment Record *[Starting with present position, list in reverse order every employment held by expert since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]:*

FROM [YEAR]: _____ To [YEAR]: _____

Employer: _____

POSITIONS HELD: _____

11. DETAILED TASKS ASSIGNED

[LIST ALL TASKS TO BE PERFORMED UNDER THIS ASSIGNMENT]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the expert has been involved, indicate the following information for those assignments that best illustrate the expert's capability to handle the tasks listed in line 11.]

Name of assignment or project: _____

Year: _____

Location: _____

IsDB: _____

Main project features: _____

Positions held: _____

Activities performed: _____

13. Certification:

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

- (i) this CV correctly describes my qualifications and my experience;
- (ii) I am not a close relative* of a current IsDB staff member;
- (iii) In the absence of medical incapacity, I will undertake this assignment for the duration and in terms of the inputs specified for me in the Personnel Schedule in Form TECH-5 provided team mobilization takes place within the validity of this proposal or any agreed extension thereof;
- (iv) I am committed to undertake the assignment within the validity of Proposal;
- (v) I am not sanctioned (ineligible for engagement) by IsDB.

I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

_____ Date: _____

[Signature of expert or authorized representative of the firm]³

Day/Month/Year

Full name of authorized representative: _____

* 'Close relative' for this purpose is defined in Section 4 of this RFP.

³ This CV can be signed by a senior representative of the Consultant provided that if the Consultant's proposal is ranked first, a copy of the CV signed by the expert and/or specialist must be submitted to the IsDB prior to the commencement of contract negotiations.

Form TECH- 5 Personnel Schedule

	Name of Team member /Position	Team Members input (in the form of a bar chart)													Total person-month/weeks input
		1	2	3	4	5	6	7	8	9	10	11	12	n	
1	Assignment Location														
2	Assignment Location														
3	Assignment Location														
	Assignment Location														
n	Assignment Location														
Total															

Form TECH-6 Work Schedule

N°	Activity ¹	Months/Weeks ²												
		1	2	3	4	5	6	7	8	9	10	11	12	n
1														
2														
3														
4														
5														

n														

- 1 Indicate all main activities of the assignment, including delivery of reports (e.g.: inception, interim, and final reports), and other benchmarks such as IsDB approvals. For phased assignments indicate activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in the form of a bar chart.

Form FIN-1 Financial Proposal Submission Form

[*Location, Date*]

To: [Name and address of IsDB]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [*Insert title of assignment*] in accordance with your Request for Proposal dated [*Insert Date*] and our Technical Proposal. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures*¹].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal indicated in Clause Reference 11 of the Data Sheet.

If negotiations are held during the validity of the proposal, we confirm availability of our team of proposed personnel. Our proposal is binding upon us and subject to the modifications resulting from contract negotiations.

We undertake, if our proposal is accepted, to initiate the consulting services for the services by the date indicated in Clause Reference 38 of the Data Sheet.

We hereby certify on behalf of the Consultant and myself that information provided in the Technical and Financial Proposals (collectively "Proposals") submitted by us for the Services is true, correct and accurate to the best of our knowledge and belief. We further certify that we have not taken any action which is or constitutes a corrupt, fraudulent, collusive or coercive practice and is not subject to any conflict of interest as defined in your RFP; and we agree to allow the IsDB, at its option, to inspect and audit all accounts, related documents, and records relating to the Proposals and, if we are engaged, to the ensuing contract.

We certify that neither the Consultant (including any associate firm) nor any Sub-Consultant or Joint Venture Partner, or expert nominated in these Proposals has been sanctioned by the IsDB.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____

Name and Title of Signatory: _____

For and on behalf of: _____[Name of Firm]

Address: _____

FIN-2: Summary of Financial Proposal

Item	Amount		
	Currency 1	Currency 2	Currency 3
Remuneration			
Other Expenses			
Total			

FIN-3: Remuneration

Team Leader	Regular Employee of The Firm (Y/N)	Currency	Remuneration Rate per working day	Inputs in working days	Subtotal Remuneration for the assignment
Team Leader					
Team Member 1					
Team Member 2					
Team Member 3					
.....					
Team Member N					
Total					

FIN-4: Other Expenses

Item	Unit	Currency	Unit Cost	Qty	Subtotal
Per Diem (daily subsistence allowance) ¹					
Air Travel ²					
[Other Expenses, if any]					
1 Covering cost for lodging, meals, local transportation, and other misc. Expenses for work outside the team member's home office or permanent residency 2 Via most direct route					

SECTION 7. TERMS OF REFERENCE

1. Background

Multilateral Development Banks (MDBs) offer a range of financing products, including Variable Rate Financing Instruments (VRFIs), in order to align their lending more closely with evolving market conditions and manage financial sustainability more effectively. By linking financing terms to benchmark rates such as SOFR, VRFIs provides greater flexibility to member countries, offering the potential to benefit from lower financing costs during periods of low interest rates. At the same time, they may also result in higher costs for the member country in rising rate environments, requiring careful risk management and financial planning. For MDBs, offering VRFIs supports prudent financial management, reduces the need for profit rate hedging, and helps preserve lending capacity.

In Islamic finance, some structures, particularly equity-based contracts, inherently allow for variable returns, as they depend on the actual performance of the underlying asset or business. However, these structures are not widely adopted due to their operational complexities, which require more sophisticated risk management, robust accounting, and transparency mechanisms to accurately determine and distribute profits and losses. They also involve higher monitoring costs and may carry greater credit and operational risks for financial institutions. Nevertheless, there are Shariah-compliant mechanisms to introduce variability into otherwise fixed-rate pricing instruments, indicating potential for further development and innovation to expand the use of VRFIs.

2. Framework for Shariah-Compliant Variable Rate Financing Instruments

At the Islamic Development Bank (IsDB), financing instruments are currently structured primarily on a fixed pricing basis, with the exception of *Ijarah*, where variable rates are applied. To address the changing needs of member countries and the complexities of the IsDB's balance sheet, it is essential to develop Variable Rate Financing Instruments (VRFIs) grounded in a clear and practical Shariah-compliant framework. This framework should incorporate a variety of Shariah contracts and variable rate pricing mechanisms, ensuring these are applied consistently and transparently across all jurisdictions.

Given this context, IsDB is interested in developing Shariah compliant VRFIs and intends to engage suitably qualified consultants for this purpose.

3. Objectives of the Consultancy

The IsDB seeks to engage a qualified consultant to support the development of practical, Shariah-compliant Variable Rate Financing Instruments (VRFIs). The consultant will be responsible for designing complete structures and preparing documentation for the application of these products within IsDB member countries.

The primary objectives of this consultancy are to:

- a. Review practices of other MDBs with respect to VRFIs.
 - o Conduct a comparative analysis of the VRFIs of other MDBs, including the balance sheet volume and value (absolute and percentage), rationale, structuring, and pricing approaches adopted. Also include reference practices during gestation and repayment lifecycles.
 - o Specifically review the multiple elements of the VRFIs pricing structure(s) and their rationale, including applicable fees and penalties for late disbursements, late repayments, early partial / full prepayments.
 - o Examine reference rate selection, spread determination methodology, and risk management tools related to VRFIs.
 - o Identify best practices and lessons learned from other MDBs' implementation of VRFIs.
 - o Assess the feasibility of introducing similar products within IsDB.
- b. Review practices of Islamic Banks (IBs) in various jurisdictions regarding the application of VRFIs
 - o Conduct a comparative analysis of how Islamic Banks incorporate variable rates in financing products, including the balance sheet volume and value (absolute and percentage), rationale, structuring, and pricing approaches adopted in various jurisdictions.
 - o Examine reference rates, spread determination methodology, risk-sharing arrangements, and Shariah justifications for rate variability.
 - o Specifically review the multiple elements of the VRFIs pricing structure(s) and their rationale, including applicable fees and penalties for late disbursements, late repayments, early partial / full prepayments.

- Compare the VRFIs pricing structure in IBs to that observed in MDBs
- Identify best practices and lessons learned from the experience of IBs.
- Assess the feasibility of adopting similar products at IsDB.
- c. Recommend suitable Shariah-compliant options for the development and implementation of VRFIs at IsDB.
 - Propose VRFIs with distinct pricing framework and diverse financing structuring options that would enable IsDB to offer variable rate financing while remaining compliant with Shariah principles. A comparison to existing IB and MDB VRFIs should also be included.
 - Recommend clear, transparent, and operationally feasible Shariah-compliant financing mechanisms that is pragmatic, easy to understand and implement.

4. Scope of Work

The consultant will be expected to:

- a. Review and analyze the practices of other MDBs regarding VRFIs, including their structuring and pricing approaches, reference rate selection, spread determination methodology, risk management tools, terms and conditions, and borrower engagement strategies.
- b. Review and analyze the practices of Islamic Banks in various jurisdictions, including their Shariah-compliant structuring and pricing mechanisms, the rationale and justification for rate variability, reference rate selection, spread determination methodology, frequency of rate adjustments, terms and conditions, and impact on borrowers.
- c. Identify and evaluate Shariah opinions and rulings relevant to the use of variable rate mechanisms in Islamic finance, including those issued by AAOIFI, national Shariah boards, or some Islamic banks.
- d. Evaluate and compare alternative pricing structures for VRFIs, including both fixed and variable spread models, and recommend the most appropriate one for IsDB's context.
- e. Develop VRFIs with distinct pricing framework and diverse financing structuring options that would enable IsDB to offer variable rate financing while remaining compliant with Shariah principles.
- f. Recommend clear, transparent, and operationally feasible Shariah-compliant financing mechanisms that is pragmatic, easy to understand and implement with complete Shariah compliant structure, legal documentation and operational procedure.

5. Deliverables

The consultant is expected to deliver the following:

- a. Inception report, accompanied with an opening presentation to IsDB, outlining the proposed methodology and work plan covering the full scope of the work identified in Paragraph (3) above.
- b. Draft report accompanied with PowerPoint deck presenting
 - i. the findings of the analysis, including a detailed discussion of the rationale for VRFI, and a comparative analysis of other MDBs' and Islamic Banks' practices.
 - ii. Identify diverse VRFI structures and pricing mechanisms thereof
- c. Mid-term Report incorporating feedback from IsDB management and addressing any comments or suggestions. This report should include full structure of the alternative options that IsDB likes to explore as presented in the draft report
- d. Final Report containing complete analysis, functional VRFI, pricing mechanism, operational procedure and a template of financing agreement.
- e. PowerPoint presentation summarizing the key findings and recommendations.
- f. Checkpoint calls conducted after each deliverable, as well as when needed or requested, to address queries, provide clarifications, and ensure alignment on the progress of the project.

6. Consultant Qualifications and Experience

The firms are encouraged to apply however, the ideal consultant possess a unique blend of financial expertise, deep knowledge of Islamic finance principles, and practical experience in developing and implementing financial products.

- a. Demonstrated professional experience in financial product development, structuring, and documentation, preferably within a multilateral development bank (MDB), an international financial institution, or a leading Islamic bank.
- b. Extensive knowledge of Shariah principles as they apply to financial transactions and product development, with a proven track record of designing Shariah-compliant financial instruments.
- c. Experience in conducting comparative analysis of financial products and market practices.

- d. Proven ability to draft comprehensive legal and operational documentation for financial products.
- e. Prior experience working in or with IsDB member countries is a significant advantage.

Interested Consultants will be evaluated based on their demonstrated expertise, a portfolio of relevant work, and a clear understanding of the project's objectives as outlined in these Terms of Reference.

7. Fee and Costs

For the entire assignment summarized in Paragraph (2) to (5), above, the consultant fee will be capped at USD 40,000/- (United States Dollars Forty Thousand Only). This amount covers all consultancy services under the assignment and is exclusive of any applicable taxes, which shall be borne by the consultant.

8. Timeline

The deliverables under Paragraph (5), above, will be submitted within the approximate period of:

- I. Deliverable (a) - within 30 days after award of consultancy
- II. Deliverable (b) - within 45 days after Deliverable (a).
- III. Deliverables (c), (d) and (e) - within 45 days after the Deliverable (b).

9. Reporting and Communication

The consultant will be required to submit regular progress reports to the IsDB. The consultant will also be required to attend meetings and provide presentations as needed.

SECTION 8: CONSULTANCY SERVICES AGREEMENT (PARTICULAR CONDITIONS OF AGREEMENT)

CONSULTANCY SERVICES AGREEMENT

THIS AGREEMENT is made on ____/____/____ H (corresponding to ____/____/____ G)

Between

ISLAMIC DEVELOPMENT BANK, a multilateral financial institution having its headquarters at 8111 King Khalid St. Al Nuzlah Al Yamania Dist., Unit No. 1, Jeddah 22332-2444, Kingdom of Saudi Arabia (hereinafter referred to as “**IsDB**”)

And

[NAME OF THE FIRM], a company duly incorporated in [country] having its address at [full corporate address and registration no.] (hereinafter referred to as the “**Consultant**”).

IsDB and the Consultant are hereinafter referred to individually as “**Party**” and jointly as the “**Parties**”.

WHEREAS,

- A. IsDB is desirous to obtain [description of services] in the manner fully described in Appendix-A hereto (hereinafter referred to as the “**Services**”);

- B. The Consultant has represented the necessary skills, competence and capability to render the Services required to IsDB under this Agreement and has submitted a proposal to IsDB dated [____/____/____] for carrying out the Services; and
- C. IsDB has accepted the aforesaid proposal of the Consultant, subject to such modifications as reflected in this Agreement and the Appendices hereto.

NOW, THEREFORE, the Parties have agreed as follows:

Incorporation of Preamble in the Agreement

The above preamble shall be deemed to constitute an integral part of this Agreement which shall be construed accordingly.

Definitions and Interpretation

Definitions:

In this Agreement, unless otherwise required by the context, the following terms, whenever used, shall have the respective meanings shown against each:

“Agreement”:	this Agreement and the documents and appendices forming part hereof as defined in Clause 2.2 of this Agreement.
“Consultant”:	the firm or firms, company or companies entered hereinabove as a party or parties to this Agreement.
“Day”:	the period between one midnight and the next.

“IsDB Personnel”:	personnel who are employed by the IsDB and assigned to help the Consultant in performance of the Services in accordance with the Terms of Services.
“Month”:	any period of one month according to the Gregorian Calendar.
“Personnel”:	the individuals mentioned in Appendix-B hereto, provided by the Consultant for performance of the Services.
“Deliverables”:	the Deliverables in relation to the Services that will be the report and any supporting documentation that the Consultant will prepare after having completed the Services.
“Services”:	the services described in Appendix (A) hereto as amended or modified from time to time by agreement between the Parties.

Documents Constituting the Agreement:

The following documents shall be deemed to form and be read and construed as part of the Agreement:

- (a) The Letter of Acceptance issued by IsDB.
- (b) The Appendices hereto, namely;
 - (i) Appendix (A) Scope of Services (Terms of Reference);

- (ii) Appendix (B) The Consultant's Personnel;
- (iii) Appendix (C) Remuneration and Payments.
- (c) The Consultant's proposal reference [insert reference Number] dated ____/____/____ insofar as it is not inconsistent with this Agreement or any other document forming part thereof but only to the extent that such proposal amplifies the Services or describes the methodology to be adopted by the Consultant in performing them.

Interpretation:

- (a) The headings shall not limit, alter or affect the meaning of any provision in this Agreement.
- (b) Words importing the singular also include the plural and the masculine includes the feminine and vice versa, unless the context otherwise requires.

Appointment of the Consultant

IsDB hereby appoints the Consultant for the performance of the Services on the terms and conditions set forth in this Agreement, and the Consultant accepts the appointment and undertakes to perform the Services.

Insofar as the Consultant comprises more than one firm and/or company associated together for the purpose of performing the obligations hereunder, all such firms and/or companies shall be jointly and severally liable for the obligations of the Consultant under this Agreement. Such firms and/or companies shall designate and authorize one of their members to liaise on their behalf with and represent them vis-à-vis IsDB who shall be entitled to deal with them through such representative.

Relation Between the Parties

Nothing stated herein shall be construed as establishing a relation of master and servant or principal and agent between the Parties.

Commencement and Completion of the Services

Unless otherwise agreed between the Parties, the Services shall be commenced within [insert period.....] after issuance by IsDB of the order of commencement of the Services and subject to provision of performance bank guarantee by the Consultant in accordance with Clause 14.3 hereof.

Subject to the provisions of Clause 12 hereof and unless otherwise agreed between the Parties, the Services shall be performed and completed within [insert period.....] from the date of commencement.

Obligations of the Consultant

Standard of Performance: The Consultant's Personnel shall perform the Services and carry out all their obligations under this Agreement with all due care, skill, efficiency and diligence in accordance with the highest standards recognized in the profession. In performing the Services, the Consultant's Personnel shall act as the faithful adviser of IsDB. Any approval by IsDB of any reports, plans, or any other documents or recommendations made by the Consultant's Personnel shall not absolve the Consultant of any of its obligations under this provision.

Observing Local Laws: The Consultant's Personnel, whilst in The Kingdom of Saudi Arabia, shall respect the laws of the said country, and shall comply with IsDB rules and regulations while in IsDB premises.

Specialist Advice and Services: Where specialist technical advice, not being within the contemplation of the scope of services stated in Appendix (A) hereto, is required, the Consultant may with the prior written agreement of IsDB, arrange for the provision of such specialist services, and IsDB shall either pay for such services or reimburse the Consultant for all reasonable costs relating thereto. However, the Consultant shall retain full and un-severable responsibility for all the Services including the specialist technical advice and assistance which is obtained.

Sub-Contracting: The Consultant shall not subcontract any part of the Services or any of its obligations under this Agreement to any third party except with the prior written consent of IsDB. Any such third party and the terms and conditions of the sub contract made with it as well any modifications or termination thereof shall be subject to the approval of IsDB in writing.

Notwithstanding any such approval, the Consultant shall remain fully responsible for the performance by any such sub-contractor of the part or parts of the Services so subcontracted as well as for any other obligations hereunder in relation thereto.

Confidentiality: All information, data, documents and designs provided to the Consultant or to the Personnel by IsDB or developed by the Consultant in the course of performing the Services shall be treated by the Consultant as confidential and shall not be published or disclosed to any third party without prior written approval of IsDB.

Ownership of Documents: All plans, reports and other documents prepared by the Consultant or the Personnel in performing the Services shall become and remain the property of IsDB and while in the custody of the Consultant or the Personnel shall be fully available to IsDB. The Consultant and the Personnel shall, not later than the date of completion of the Services or the premature termination thereof, deliver all such documents to IsDB together with a detailed inventory thereof. The Consultant may retain copies of such documents but shall not use them for purposes unrelated to this Agreement without the prior written consent of IsDB.

Without prejudice to the above, the Consultant owns all the intellectual property rights in all systems, techniques, methodologies, ideas, concepts, information and know-how developed during our performance of this Agreement.

Ownership of Equipment: Equipment and materials furnished to the Personnel by IsDB or purchased out of funds wholly provided or reimbursed by IsDB shall be the property of IsDB and shall be so marked. Upon completion or termination of the Services the Personnel shall furnish to IsDB an inventory of the said equipment and remaining materials and shall dispose of same as directed by IsDB.

Reporting: The Consultant shall submit to IsDB the reports and documents, if applicable, as specified in Appendix (A) hereto, in the form, language or languages, number of copies and within such periods as specified in the said Appendix.

Visas: If required, the Consultant shall be fully responsible, at own cost, for obtaining visas for entry to and exit from the Kingdom of Saudi Arabia for the its Personnel, and where applicable for their dependents, and such licenses and permits as may be necessary. IsDB may, without being obliged to, provide possible assistance in this respect.

Insurance and medical expenses:

- (a) The Consultant shall alone be responsible for taking out and maintaining at its own cost any insurance policy (including medical insurance, life insurance etc.), and coverage applicable to the Consultant and/or its Personnel and required by applicable laws and regulations.
- (b) The Consultant shall, upon request by IsDB, produce evidence that the aforesaid insurances have been taken and maintained and that the current premiums therefore have been paid.
- (c) IsDB may allow the Consultant's Personnel access to IsDB clinic and health services within working hours during the period of this Agreement in accordance with IsDB's internal rules and procedures. However, the Consultant's Personnel shall alone be responsible for any costs of the prescription and any other medical expenses the Consultant may incur as a result of any illness during the course of the Services.

Liability of the Consultant

The Consultant shall be liable to IsDB for any breach of its obligations under this Agreement. However, the Consultant's liability to compensate IsDB in respect of any damage or loss shall be limited to the total amount of the remuneration under this Agreement, provided that the liability of the Consultant shall not be subject to such limit in the event of damage or loss suffered by IsDB as a result of gross negligence or wilful misconduct in the performance of the obligations by the Consultant or the Personnel, where gross negligence will be defined as a marked departure from the standard of conduct of a reasonable person in the same profession acting in the same circumstances at the time of the alleged misconduct.

Indemnification of IsDB by the Consultant

The Consultant shall indemnify and hold harmless IsDB against all claims, actions, proceedings, demands and costs, including legal fees and expenses in connection therewith, arising as a result of any infringement by the Consultant in the course of performing the Services of any copyright, patented invention, article, design or proprietary process of any third party.

Provided that the Consultant shall not be liable to indemnify IsDB in respect of any claim if the infringement of any right of third parties was the result of instructions given by IsDB in writing.

The Consultant's Personnel

The Consultant shall provide qualified and experienced Personnel as are required to carry out the Services, and such Personnel, unless designated by name in Appendix (B) hereto, shall be subject to the approval of IsDB.

IsDB shall appoint counterpart Personnel for helping the Consultant carry out its obligation hereunder. IsDB shall provide the Consultant with a list of IsDB Personnel before commencement of the Services.

The titles, agreed job description and minimum qualifications and experience of Personnel to be assigned by the Consultant for carrying out the Services are stated in Appendix (B) hereto. Insofar as any Personnel required for performing the Services have not been approved by IsDB at the time hereof, the Consultant shall submit to IsDB for review and approval a copy of their biographical data (with supporting documents, if so required by IsDB). All requests for approval of assignment of Personnel for carrying out the Services shall be submitted to IsDB at least one (1) month before the date when the proposed assignment is to take effect.

Replacement or Removal of Personnel:

- (a) Should it become necessary for the Consultant to replace any of the Personnel assigned by it to carry out the Services, the Consultant shall, after obtaining the approval of IsDB for such replacement, arrange for substitute Personnel with equivalent or better qualifications and experience. The cost of replacement of such Personnel shall be borne by the Consultant.
- (b) IsDB may instruct the Consultant to remove and/or replace any of the Personnel assigned by it to carry out the Services, stating in such instruction the reason therefore. If the Personnel to be removed or replaced is guilty of misconduct or if IsDB has reasonable cause to be dissatisfied with the performance of such Personnel, the costs relating to his repatriation and to his replacement shall be borne by the Consultant.

Obligations of IsDB

IsDB shall furnish without charge and within a reasonable time all pertinent data and information available to it relating to the Services and shall give such assistance as shall reasonably be required by the Consultant for carrying out its duties under this Agreement.

However, if any decisions are required to be made by IsDB in the course of the Services, such decisions shall be made within a reasonable time so as not to delay or disrupt the Services.

Indemnification of the Consultant by IsDB

IsDB shall indemnify the Consultant and hold it harmless against any claims by third parties, costs, including legal fees and expenses, suffered or incurred by the Consultant as a result of any wrongful act, negligence or breach of contract on the part of IsDB or its employees.

Postponement and Termination

By Notice of IsDB: IsDB may by written notice to the Consultant at any time give prior notice of its intention to omit any part of the Services or to abandon the Services in whole or the remaining part thereof and terminate this Agreement. Unless otherwise agreed between the Parties, the effective date of termination of this Agreement shall not be less than fifteen (15) days after receipt of such notice. But the Consultant shall upon receipt of such notice take immediate steps to cause the Personnel to bring the Services to a close and to reduce expenditure to a minimum.

Due to Force Majeure: The Consultant shall promptly notify IsDB, in writing, of any situation or event arising from circumstances beyond its control and which it could not reasonably foresee which makes it impossible for the Consultant to carry out in whole or in part its obligations under this Agreement notwithstanding the exercise of reasonable care by the Consultant. Upon the occurrence of such a situation or event and provided that the same is sufficiently verified and acknowledged by IsDB, which shall not unreasonably withhold its acknowledgement, the Services shall be deemed to be postponed for a period of time equal to that caused by the Force Majeure and a reasonable period not exceeding one (1) month for remobilization by the Consultant's Personnel for continuation of the Services.

Due to Default by IsDB: The Consultant may by written notice to IsDB terminate this Agreement:

- (a) if it has not received payment of that part of any invoice, which is not contested, within thirty (30) days of submission thereof, and
- (b) if the Services have been postponed as provided for in Clause 12.2 and the period of postponement has exceeded three (3) months.

Entitlement of Consultant upon Postponement or Termination: Upon postponement of the Services or termination of this Agreement under Clauses 12.1, 12.2 or 12.3 and subject to the obligation of the Consultant to reduce expenditure to a minimum as stated in Clause 12.1, the Consultant shall be entitled to receive the remuneration due up to the effective date of postponement or termination and reimbursement in full for such of the costs specified in Appendix (C) as shall have been incurred prior to the effective date of such postponement or termination and for all costs incidental to the orderly termination of the Services.

Default by the Consultant: IsDB shall notify the Consultant, in writing, if it considers that the Consultant or any of the Personnel is in breach of any of its obligations under this Agreement, stating the default on the part of the Consultant constituting such breach. In the event that the Consultant does not respond to such notice within seven (7) days or fails to rectify the default within a reasonable period not exceeding ten (10) days, IsDB may by further notice to the Consultant terminate the Agreement as of the date stated in such further notice. Such termination shall be without prejudice to the right of IsDB to claim damages for default of the Consultant.

Claims for Default: Any claim for damages on the ground of default in the performance of this Agreement or in connection with its termination shall be the subject of negotiation and agreement between IsDB and the Consultant and, failing such agreement, shall be referred for determination under Clause 20 of this Agreement.

Rights and Liabilities of the Parties: Termination of this Agreement, for whatever reason, shall not prejudice or affect the accrued rights or claims of either Party to this Agreement against the other.

Remuneration of the Consultant

In consideration of performing the Services and its other obligations under this Agreement, and acceptance thereof by IsDB, the Consultant shall be remunerated by IsDB in accordance with the conditions and schedule of remuneration and payments set forth in Appendix (C) hereto.

In the event that supplementary services, in addition to those provided for in Appendix (A) hereto, are required as a result of alterations or modifications to the Services or the schedule of performance thereof, specifically requested by IsDB in writing and agreed with the Consultant, or in the event of delay in performance of the Services due to circumstances beyond the control of the Consultant and which could not reasonably have been foreseen by it, the Consultant shall, insofar as he/she has incurred any extra costs, receive additional remuneration computed either on time basis or as may be otherwise agreed between IsDB and the Consultant, together with any

reimbursable expenses incurred. The Consultant shall also be entitled to additional remuneration on the aforesaid basis in respect of any additional services not covered by Appendix (A) hereto which are necessarily incidental to termination of the Agreement other than termination for breach by the Consultant of any part of its obligations under this Agreement.

Payments, Performance Guarantee and Advance Payment Guarantee

Subject to Clauses 14.3 and 14.4, IsDB shall effect payments to the Consultant in accordance with the payment schedules and in the manner set forth in Appendix (C).

If any item or part of an item of an invoice submitted by the Consultant is disputed or questioned by IsDB, it shall so inform the Consultant within fifteen (15) days of receiving the invoice stating the reasons for disputing or questioning such item or items of the invoice. Payment by IsDB of the undisputed item or items of the invoice shall not be withheld on grounds that any other item is disputed or subject to question.

Performance Guarantee: notwithstanding any provision herein to the contrary, upon signing this Agreement, and prior to commencement of the Services, the Consultant shall provide IsDB with an independent, irrevocable and unconditional performance bank guarantee payable on first demand in the amount of 10% (Ten Percent) of the total remuneration of the Consultant as fixed in Appendix (C) hereto. The performance bank guarantee shall be in the format and from a bank acceptable to IsDB. The performance guarantee shall be valid for the duration of completion of the Services and Deliverables and final acceptance thereof by IsDB.

Should the Consultant be unable to provide the performance bank guarantee as per Clause 14.3, IsDB shall, alternatively, retain 10% (Ten Percent) of the total remuneration of the Consultant as a performance security until completion of the Services and Deliverables and final acceptance thereof by IsDB.

In case the Consultant requires advance payment (payment before or upon signing the Agreement and prior to delivering any part of the Services to IsDB), it shall provide IsDB with its invoice supported by an independent, irrevocable and unconditional advance payment bank guarantee payable on first demand, and must be in the same amount of the advance payment. The guarantee must be in the form and from a bank acceptable to IsDB. The advance payment bank guarantee shall remain valid until the amount of the advance payment is fully recovered from the payments due to the Consultant.

For the avoidance of doubt, and notwithstanding anything stated to the contrary in this agreement and/or in its appendices, if the agreed payment schedule under paragraph (2) of Appendix (C) is such that the Consultant shall be paid after completion and delivery of clearly defined milestones/deliverables, and acceptance thereof by IsDB, then the requirement for performance guarantee and/or retention under Clause 14.3 and Clause 14.4 shall not be applicable.

Assignment

The Consultant shall not without prior written consent of IsDB assign any part of its obligations under this Agreement.

The Consultant shall not without prior written consent of IsDB assign any benefit under this Agreement, other than the assignment to the Consultant's bankers of any monies due or to become due.

Partnerships

Should the Consultant be a partnership and at any time take an additional partner or partners, he/she or they shall be deemed to be included in the expression the "Consultant".

Should the Consultant be a partnership, the Agreement shall not be affected by the death or withdrawal of one or more members of the partnership.

Notices

Any notice, request or consent required or permitted to be given or made pursuant to this Agreement shall be in writing. Any such notice, request or consent shall be deemed to have been duly given or made when delivered in person to an authorized representative or the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the following address:

For IsDB:

8111 King Khalid St. Al Nuzlah Al Yamania Dist.

Unit No.1, Jeddah-22332-2444, Kingdom of Saudi Arabia

Tel: +966 12 6361400

Fax: +966 12 6366871

Email: idbarchives@isdb.org

Attention: Mr. _____

Tel: + _____

Fax: + _____

Email: _____

For the Consultant:

Tel: + _____

Fax: + _____

Email: + _____

Attention: Mr. _____

Tel: + _____

Fax: + _____

Email: _____

Notice will be deemed to be effective as follows:

- (a) in the case of personal delivery or registered mail, on delivery;
- (b) in the case of telegrams after 72 hours of transmission; and
- (c) in the case of telexes or facsimiles after 48 hours of transmission provided that subsequent confirmation in writing is received within 5 days of transmission.

A Party may change its address for notices hereunder by giving the other Party notice of such change pursuant to this Clause.

Language

English language shall be the language for communication between the Parties and the language according to which this Agreement is to be construed and interpreted.

Applicable Law

This Agreement shall be governed by and shall be construed and applied in accordance with the laws of the Kingdom of Saudi Arabia.

Settlement of Disputes

If any dispute, or controversy arises between IsDB and the Consultant relating to the interpretation or application of this Agreement and which cannot be settled amicably, the matter in dispute shall be referred to an arbitration tribunal composed of three (3) arbitrators. One arbitrator shall be nominated by IsDB and one by the Consultant and the third arbitrator who shall be the chairman of the Tribunal, shall be appointed by both Parties. If either Party fails to appoint its arbitrator within fifteen (15) days of the appointment of the arbitrator by the other Party, or if the two Parties fail to agree on the third arbitrator within forty-five (45) days from the date of either Party's request to refer the dispute to arbitration, such arbitrator or arbitrators shall be appointed by the Chamber of Commerce in Jeddah, Kingdom of Saudi Arabia at the request of either or both Parties.

The decision of the arbitrators shall be final and binding on the Parties. The award of costs incidental to the proceedings shall be at the discretion of the arbitration tribunal.

Unless otherwise agreed by the Parties, the arbitration proceedings shall take place in Jeddah, Kingdom of Saudi Arabia, and the language of arbitration shall be English language.

Modification of the Agreement

The terms and conditions of this Agreement, including the scope of Services may be modified by agreement of the Parties provided that such agreement shall be in writing.

Privileges and Immunities of IsDB

Nothing in or relating to any provision in this Agreement will be construed as constituting a waiver, either expressed or implied, of any privilege or immunity enjoyed by IsDB.

Taxes

All forms of taxes, duties, levies, withholdings, charges and/or other monetary obligations to which the Consultant may be subject due to the Services it provides under this Agreement shall be solely borne by the Consultant.

IsDB acknowledges and assures that it is exempt from any obligation for the payment, withholding or collection of any tax or duty within its member countries, including The Kingdom of Saudi Arabia. However, if any such obligation arises (before and/or after signing of this Agreement), IsDB undertakes to pay the Consultant the full amount of any fees agreed upon and due to the Consultant in accordance with the terms of this Agreement.

Entry into Force

This Agreement shall come into force and effect on the date first above written.

In Witness Whereof, the Parties hereto have caused this Agreement to be signed by their duly authorized representatives in two copies on the day and year first above written.

FOR AND ON BEHALF OF

ISLAMIC DEVELOPMENT BANK

.....

FOR AND ON BEHALF OF

.....

Appendix (A): SCOPE OF SERVICES (TERMS OF REFERENCE)

[... Incorporate in details...]

Appendix (B): THE CONSULTANT'S PERSONNEL

[Incorporate names, titles, and specific duties, if any]

Appendix (C): REMUNERATION AND PAYMENTS

1. The professional fee for the Services under this Agreement shall be [insert amount in numbers and words]. The fee is based on the Consultant current understanding of the effort required to deliver the Services in accordance with the scope set out in Appendix (A).
2. The invoices will be raised for payment in accordance with the following schedule:

[Insert payment schedule]

a.xxx

b.xxxx

c.xxxx

3. Subject to the provisions of Clauses 13 and 14 of this Agreement, the Consultant's invoices shall be payable within thirty (30) calendar days of their receipt by IsDB.