

## **INVITATION TO TENDER ICT NO ADM/HRD.72/2/3/4956**

The AU Commission through the Ministry of Finance and Economic Planning, Ghana invites applications from interested Consultants/consulting firms for the study and establishment of African Central Bank.

Interested Consultants/Consulting firms may obtain details of the application and background of the assignment (Tender Document) from the address below.

The Head of Procurement  
Ministry of Finance and Economic Planning  
P. O. Box MB40  
Accra  
Tel. No. 00233- 21- 686184 00233-244-683554  
Fax No 00233-21-686184 or  
Download from website: [www.mofep.gov.gh](http://www.mofep.gov.gh)

The completed applications should be submitted directly to the Commissions email address and contacts below not later than 23<sup>rd</sup> July 2008.

[Au-recruit@Africa-union.org](mailto:Au-recruit@Africa-union.org)

or facsimile to +251 11 55 25 84/ +251 11 510430

**TENDER DOCUMENT FOR THE STUDY ON THE ESTABLISHMENT OF  
THE AFRICAN CENTRAL BANK**

## 1-) BACKGROUND

Article 44 of the Treaty establishing the African Economic Community (Abuja Treaty) and Article 19 of the Constitutive Act of the African Union, respectively, established the need to "create an African monetary union by harmonizing currency areas" and agreed to the establishment of three African financial institutions, namely, the African Central Bank (ACB), the African Monetary Fund (AMF) and the African Investment Bank (AIS).

The African Union (AU) and its predecessor, the Organization for African Unity (OAU), as well as the Association of African Central Banks (AACB), have adopted monetary cooperation and creation of a single African currency as important the components of their respective programs.

Article 6 of the Abuja Treaty plans to achieve economic and monetary union after achieving an agenda for action covering of period of thirty-four (34) years, organized in six (6) stages.

Based on the poor results achieved in the implementation of the process of economic and monetary integration envisaged by the Abuja Treaty, the African Heads of State *and* Government have agreed-upon the establishment of the African Union and acceleration of the integration process and establishment of the three African-financial institutions provided for in Article 19: of the Constitutive Act In this regard, the African Union-- Commission's (AUC) strategy on the establishment of the three African financial institutions seeks to accelerate the establishment of these financial institutions.

In accordance with the vision of African leaders with respect to reinforcing economic integration in Africa, the Association of African Central Banks adopted during its 26<sup>th</sup> session held on September 4, 2002, in Algiers,'  
, the African Monetary Cooperation Program (AMCP), with the objective to create by 2021 the African Central Bank, after a successful convergence process.

Following dialogue between them, the Assembly of Governors of the AACB and the AU Commission, during the 31<sup>st</sup> Ordinary Meeting of the Association held in Tripoli, Libya on August 15, 2007, agreed to form an AUC-AACB Joint Committee in order to *define* a common strategy for the creation of the ACB. The first meeting of this AUC-AACB Joint Committee was held on November 22, 2007; at the AUC headquarters in Addis Ababa, Ethiopia. The Joint Committee directed the AUC-AACB Joint Technical Committee to craft, with the support of external consultants, draft common strategy for the establishment of the ACB and roadmap for the implementation of this strategy. The Joint Committee also agreed *on* the followings:

1. Macro-economic convergence remains a prerequisite to the introduction of a common currency and the creation of the ACB *In* this regard, the Committee recommended reassessment of the convergence criteria and harmonization of economic policies. The AACB, shall undertake a study for this purpose;
2. The need to create an African common market (free movement of goods and services, labor and capital, and development of infrastructure) prior to attaining monetary integration.

The AUC should carry out the relevant studies with the input of the AACB on capital market development, and ensure implementation;

3. The Regional Economic Communities (RECs) should be the pillars of economic and monetary integration in Africa;
4. The creation of African Monetary Institute (AMf) as a transition stage towards the creation of the ACB and an AMI - ACB steering technical Committee shall be established by the AUC-AACB Joint Committee.

#### 11-) OBJECTIVES OF THE STUDY

As African leaders are firmly committed- to the achievement of full monetary union, symbolized by a Union Central Bank and one currency, the objective of this study is to propose an AUCAACB common strategy and action *plan/road* map toward attaining monetary integration in Africa and the establishment of the African Central Bank.

#### 11I-) TERMS OF REFERENCE OF THE CONSULTANT / CONSULTING FIRM

The consultant/consulting firm shall carry out the following tasks:

- Briefly analyze the theoretical aspects of macro-economic and monetary integration in general and their relevance to the African context, particularly the preconditions of a monetary union to cope with, the challenges of an accelerated development of the regional economy and globalization;
- Examine the institutional and operational issues drawing on the experiences and practices of monetary integration programs of Regional Economic Communities (RECs) and existing monetary unions, and then make recommendations on harmonization towards the establishment of a continental monetary system;
- Given the fact that macro economic convergence remains a pre-condition to the introduction of a common currency, the Consultant should review the relevance to Africa of the macroeconomic economic convergence criteria of the AMCP and examine to what extent they can be used to faster economic development in Africa;
- Determine the rules for membership of the monetary union;
- Determine possible links between the three African financial institutions and their interaction with the existing national and regional institutions;
- Define a road map for the implementation of the strategy for the establishment of the ACB, with a program of action and a timeframe; and

- Consider the establishment of an African Monetary Institute as a transitory stage to the creation of the African Central Bank.

To carry out the tasks set in the context of this mission, the consultant/consulting firm shall study all the relevant documents of the African Union Commission, the reports and studies of the AACB, as well as those made by other monetary institutions on financial cooperation and monetary integration in order to effectively evaluate and analyze the relevance of the proposed strategy.

#### IV-) EXPECTED OUTPUT

The consultant is expected to deliver on the following:

- The strategy and a comprehensive roadmap for implementation
- An executive summary of the strategy.
- A detailed Report of the Strategy for the establishment of the African Central Bank

The draft study/report shall be presented in English and French for review and validation by the Joint Technical Committee through the AUC before finalization.

#### V-) DURATION AND MONITORING

The study shall be for a period of three (3) months, under the supervision of the AUC-AACB Joint Technical Committee. It shall take effect from the date of signing of the contract by the consultant/consulting firm and submission by the Consultant/Consulting firm of a Bank Performance Bond equivalent to the amount of the mobilization fee paid by the African Union Commission and valid for ninety (90) calendar days.

The African Union Commission shall appoint a focal person to manage the day-to-day activities of the Project with the Consultant/Consulting firm. The appointment of the nominee shall be communicated to the Consultant/Consulting firm within five (5) calendar days from the date of signing of Contract.

The consultant/consulting firm, the AUC Focal Person and the Joint Committee shall comply with the following timetable:

- Transmission by the consultant/consulting firm to the AUG-AACB Joint Committee, through the African Union Commission's Focal Person, of the draft report including the competence proposed- strategy and action plan within forty five (45) calendar days from the date of signing of contract;
- Communicating the comments on the draft report by the Joint Committee to the consultant/consulting firm within twenty one (21) calendar days after the meeting of the Joint Committee to be attended by the consultant/consulting firm;

- Transmission the final report of the study by the consultant/consulting firm to the AUC's Focal Person within fifteen (15) calendar days after the official communication of comments of the Joint Committee to the consultant/consulting firm;
- Validation of the final report by the AUC- AACB Joint Committee within thirty (30) calendar days.

For the collection of information and data, the consultant/consulting firm shall be required to visit the institutions that are deemed relevant to the study. These costs should be reflected in the Financial Proposal.

#### VI-) REQUIRED QUALIFICATIONS

The study shall be conducted by a consulting firm or a team of consultants. The team of consultants or consulting firm shall have one coordinator with the following qualifications:

- A PhD, or equivalent, in economics, especially in the relevant fields of macroeconomics, monetary economics, finance and economic development and international economics relations;
- At least 10 years of working experience, in analysis, design, implementation and management of economic policies in terms of financial and banking institutions at national, regional, continental or international level and an experience in the field of economic research, especially on monetary and financial matters;
- Be fluent in English or in French

#### VII-) LANGUAGE OF BID

The Bid as well as all the correspondence exchanged by the Consultant/Consulting Firm shall be written in English or French.

#### VIII-) DOCUMENT COMPRISING THE BID

The Bid prepared by the Consultant/Consulting Firm shall comprise of the following documents:

- (a) Financial Proposal: A Price Schedule in American Dollar currency.
- (b) Technical Proposal: Documentary evidence that the Consultant/Consulting firm is qualified to perform the contract if its bid is accepted. These shall include experience, past performance on similar project/contract, current commitment and referees.

- (c) Bank Bid Security: A Bid Security is required to protect the interest of the African Union. The Bid Security shall be denominated in American Dollar Currency or in another freely convertible currency and equivalent to five percent (5%) of the net Price Schedule amount and valid for a period of ninety (90) calendar days. It shall be submitted along with the Financial Proposal. The African Union reserves the right to verify the authenticity of the Bid Security during evaluation of offers or any other time. Unsuccessful bidder's bid security shall be discharged or returned as promptly as possible but not later than forty-five (45) calendar days from the date of opening of bid at the African Union Commission, Addis Ababa, Ethiopia.

ix-) **FORMAT, SIGNING, SEALING AND MARKING OF BID**

The bidder shall prepare an original and two (2) copies of the Financial and Technical bids, clearly marking each " **ORIGINAL of the Financial or Technical BID**" and **COPY NO. # of the Financial and Technical BID**". In the event of any discrepancy between them, the original shall govern.

The Original and the Copies of the Bid shall be typed, signed and stamped by the Bidder or a person or persons duly authorized to bind the bidder to the Contract. The person or person signing the bid shall initial all pages of the bid:

X-} **CONTACTING THE AFRICAN UNION**

- (a) Prior to the Closing date for submission of bids, interested bidders may contact the following focal persons for any clarifications pertaining to the technical issues of this constancy.

To: KouassiN@africa-union.org

c.c: AbdallahM@africa-union.org

- (b) After the closing date for bid submission, no bidder shall contact the African Union on any matter relating to the Bid; from the time of bid opening to the time the contract is awarded. Any effort, by bidder to influence the African Union in its decision on bid evaluation, bid comparison or contract award may result in the rejection of the Bidder's bid.

XI-) **AFRICAN UNION'S RIGHT TO ACCEPT OR REJECT ANY OR ALL BIDS**

The African Union reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidders or any obligations to inform the affected bidders of the grounds of the African Union's action.

## XII-) COST OF BIDDING

The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the African Union will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

## X 11I-) SUBMISSION OF BID

Bids, shall be delivered by Express Courier or by hand to the address, with the time limit and in the form and manner indicated above by latest Monday, 10 March 2008, at 17:00 hours local time.

The bidder shall seal the original and each copy of the Financial and Technical bids in separate envelopes as **"ORIGINAL FINANCIAL"**, **"COPY No # FINANCIAL"**, **"ORIGINAL TECHNICAL"** and **"COPY No. TECHNICAL"**, The envelopes shall then be securely sealed in a outer envelop or box,

The Outer envelop or box shall be addressed to the African Union Commission at the following address

Chairperson of the Tender Board  
African Union Commission  
Roosevelt Street  
P.O. Box 3243  
Addis Ababa, Ethiopia)  
Tel+251-(0)11-5517700 Ext 263,  
Fax +251-(0)11-551 0430

The inner envelop shall- indicate the name and address at the Bidder to enable the bid to be returned unopened in case its is declared "Late".

Any bid received by fax or email shall automatically be rejected or declared non-responsive.