

REPUBLIC OF GHANA



MINISTRY OF FINANCE

TERMS OF REFERENCE

(CONSULTING SERVICES – QUALITY AND COST BASED SELECTION)

Name of Project	Ghana Development Finance Project
Loan No./Credit No./Grant No	P169742
Assignment Title	Search and Selection of the Board of Directors and Senior Management for the Development Bank, Ghana (DBG)
Reference No	GH-GDFP-157534-CS-QCBS

1. BACKGROUND

The Ministry of Finance (MoF) has received a project preparation advance (PPA) from the World Bank towards the cost of the Ghana Development Finance Project (the Project), and it intends to apply part of the proceeds for consulting services. The Project's objective is to increase access to finance for Ghanaian enterprises, particularly small and medium enterprises (SMEs). Women-owned/led SMEs will be particularly targeted. The Project will support the establishment of the Development Bank, Ghana (DBG), which will provide wholesale financing/lines of credit and partial credit guarantees (PCGs) to eligible participating financial institutions (PFIs), and support the development of a digital financing platform, among other activities.

The DBG will be a wholesale development bank, established as a company, licensed by Bank of Ghana under the new Development Finance Act under preparation, and will have sound corporate governance (independent board and professional management). In particular, at least 60 percent of the 7-13 directors of the DBG will be independent directors, selected through a competitive process with assistance from a reputable headhunting firm. The senior management of the DBG – including the Chief Executive Officer (CEO), the Deputy Chief Executive Officer (Deputy CEO), the Chief Finance Officer (CFO), and the Chief Risk Officer (CRO) – will also be selected in the same manner. A Working Group was constituted in 2019 and has been leading and oversensing the establishment of the DBG on behalf of the Government of Ghana (GoG).

The objective of these Terms of Reference (ToR) is to engage a firm to provide search and selection services to the MoF and the DBG. For this assignment, the firm will work closely with and report to the **Search Committee (SC)** of the Ministry of Finance. Once the DBG Board has been selected and constituted, authority of the DBG Working Group, and therefore of the SC, will

pass to the DBG Board which will oversee the firm in completing the recruitment process for the senior management of the DBG.

2. Objective of the Assignment

The objective of this assignment is threefold: (i) to provide independent and external Human Resources (HR) consultancy services to the Search Committee for the professional and competitive selection of the Board of Directors of DBG; (ii) to provide independent and external Human Resources (HR) consultancy services to the newly constituted DBG Board of Directors for the professional and competitive selection of the Senior Management of the DBG; and (iii) complete a quick benchmarking of executive compensation in Ghana and recommend a compensation strategy/ranges for the Board and Senior Management of the DBG.

3. Scope of Assignment

The firm shall support the SC (and the DBG Board when constituted) to, consistent with applicable laws in Ghana, conduct a Search and Recruitment process of six (6) Board Directors and four (4) Senior Managers of the DBG. In particular, the firm's support to the SC (and the DBG Board when it is constituted) will include the following:

- Review the Constitution and Shareholders Agreement of the DBG and other relevant documents¹, focusing on the business of the DBG, composition and functions of the Board, role and responsibilities of the Board and management, and other key governance provisions;
- Prepare a job description/profile for each Board position and senior management position for approval by the SC;
- Complete a quick benchmarking of executive compensation in the Ghanaian financial sector, covering board and senior management positions;
- Recommend a compensation strategy and ranges for the Board and senior management, including details of basic compensation packages and incentives, if any.
- Advertise each position internationally, identify and reach out to potentially suitable candidates (e.g. by phone or email) and encourage them to apply for the respective positions;
- Develop evaluation criteria for assessing candidates and submit it to the SC for review and approval;
- Use the criteria to shortlist, conduct preliminary interview(s), check references, and recommend three (3) candidates to the SC (the same candidate can be recommended to more than one position) for the six Board positions and four management positions;
- Undertake follow-up communications with the recommended applicants for Board positions after the preliminary interviews, as directed by the Chair of SC;
- Organize the process (including documentation and communication with recommended applicants) for the SC to do final interview of the recommended candidates for the Board and for the SC to make final recommendations to the Hon. Minister for approval;
- Once the DBG Board has been constituted, under the guidance of the Board, organize the process (including documentation and communication with candidates) for the Board to

¹ Development Finance Institutions Bill (2020); BCBS Corporate Governance Principles for Banks; and Corporate Governance Directive 2018 for Banks and SDIs.

do final interview of the recommended candidates for senior management positions and make the selections;

- Undertake follow-up communications with the candidates for senior management positions after the interviews and selections, as directed by the Chair of the DBG Board;

During the assignment, the firm shall be available to provide the services to the SC (and subsequently the DBG Board). In providing the services, the firm and its Personnel shall maintain the highest professional standards and exercise all due care, skill, confidentiality and competence so as to ensure that the services provided meet the highest international professional standards. The firm shall comply with the relevant local laws and guidance provided by the SC (and subsequently the DBG Board) during the assignment.

4. Report, Deliverables Timeline and Payment Schedule

The firm will report to the Chair of the SC up to the time the DBG Board is constituted; once the DBG Board has been constituted, the firm will report to the Chair of the DBG Board.

Deliverables, Timeline, and payment

DELIVERABLES	TIMING	PAYMENT (%)
Inception Report outlining the consultant's detailed understanding of the assignment, methodology to be applied, and Work Plan	One (1) week after the commencement of the assignment	20% of Fee after acceptance of Inception Report
Workshop/Conference Call with the SC to discuss the Inception Report	One (1) week after the submission of the Inception Report	
Job description for each Board position and senior management position	Two (2) weeks after the after the commencement of the assignment	
Compensation strategy and ranges for the Board and Senior management	Five weeks (5) weeks after the commencement of the assignment	
Report on Selection of Board of Directors (including selection process followed, shortlisted candidates, recommended candidates)	Eight (8) weeks after the commencement of the assignment	40% of Fee after receipt and approval of completion report on selection of Board of Directors.
Report on Selection of senior management (including selection process followed, shortlisted candidates, recommended candidates)	Ten (10) weeks after the commencement of the assignment	30% of Fee after receipt and approval of completion report on selection of CEO and Deputy CEO
Assignment Completion Report	Approx. Two (2) weeks after completion of senior management interviews by DBG's Board	10% of fee after acceptance of final assignment report

The consultant will submit the deliverables to the Chair of the SC (and later to the Chair of the Board), copying the Project Coordinator.

5. Duration of Assignment

The firm will work from the date of signing the contract until the recruitment and selection process is finalized. The expected period of the contract is 3 months (12 weeks).

6. Facilities to be provided by client

The consultant will conduct the assignment from its own offices.

6. Required Qualifications

The assignment will be delivered by a firm with the following qualifications:

- Minimum of 10 years of experience in the provision of HR services to corporate clients;
- Track record of successful completion of executive search assignments for financial sector clients, with at least two assignments completed in the last three years;
- Knowledge of the Ghana financial sector job market would be an advantage.

The Team should include the following key experts:

Executive Recruiter and Team Leader

- Advanced degree in human resources (HR), business administration, banking, finance, or related subject;
- Relevant professional certification would be an advantage;
- At least 15 years of professional experience in HR services consulting, mainly in recruitment and selection of senior executives, preferably within the financial sector in more than one country;
- Proven experience as team leader of successful executive recruitment assignments;
- Knowledge of banking and finance, including applicable corporate governance;
- Knowledge of development banking will be an advantage;
- Knowledge of local and international labour laws, regulations and procedures;
- Strong oral and written communication skills in English;

HR Specialist

- Advanced degree in human resources, business administration, finance, banking, or similar;
- Relevant professional certification would be an advantage;
- At least 10 years of professional experience in executive recruitment in banking and finance;
- Experience with search engine optimization, personnel files, background checks, and employment reference checks; and,
- Strong oral and written communication skills in English;

Compensation Specialist

- Advanced degree in human resources, business administration, finance, banking, or similar;
- At least 5 years of experience in compensation analysis and design of compensation packages;
- Knowledge of the Ghanaian financial sector executive market and its compensation practices;
- Ability to compile, analyze, and visualize data;
Strong oral and written communication skills in English.