



The First MicroFinanceBank
اولین بانک قرضه های کوچک

**TERMS OF REFERENCE (TOR)
FOR SELECTION OF A CONSULTANT FOR
DEVELOPMENT AND PILOT IMPLEMENTATION
OF BUSINESS CONTINUITY AND DISASTER RECOVERY PROGRAM**

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Please submit your proposal to us within 20 working days of the receipt of the TOR.



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1. Introduction and Background

The First Microfinance Bank (FMFB-A) is part of the Aga Khan Agency for Microfinance (AKAM) network, and AKAM has programs in over 10 countries throughout the developing world. FMFB-A has a commercial banking license and started its operations in 2004. Our prime objective in Afghanistan is to contribute to poverty alleviation and economic development through the provision of sustainable financial services to the poor and underserved.

The Bank provides credit and saving products as well as domestic and international payment services. It focuses on micro-enterprises and small and medium business, and the creation of productive sources of income and employment.

Across the country, the Bank operates in 14 provinces. Banking activities are carried out throughout the network of 39 Branches of three types, catering for (i) Microfinance clients or (ii) Microfinance and SME clients or (iii) SME and Corporate clients. Head Office provides corporate / support functions.

It is part of our strategy to improve our preparedness in ensuring continuity of operations, availability of critical resources, minimization of interruptions to business processes, and full recovery of business infrastructure and applications in the event of a disaster. To achieve this FMFB-A wishes to develop and implement a comprehensive Business Continuity and Disaster Recovery Program (BC&DR Program, or the Program) that will achieve this objective in a timely, effective, and efficient manner.

Effective business continuity measures are critical for any business entity. FMFB-A is committed to protecting its staff and ensuring the continuity of critical business and support processes in order to protect the FMFB-A organization, mitigate risk, safeguard revenues and sustain both a stable financial service provision and customer confidence.

The development, implementation, testing and maintenance of an effective BC&DR Program are required to sustain these objectives. To further our commitment in the event of a significant business disruption, as well as meet all regulatory requirements, FMFB-A's approach will include staff training on BC&DR management to ensure that the newly designed and pilot tested BC&DR activities will be adequate to manage business lines and functions' relocation and recovery in the event of an emergency situation.

FMFB-A is seeking vendor to define, author and implement a Business Continuity and Disaster Recovery Plan. The end-to-end service shall cover activities:

1. Identify critical business functions of the organizations within FMFB-A
2. Identify tasks that comprise critical business functions
3. Assess the criticality of business applications / services and determine acceptable recovery time and point
4. Identify the assets used by business units
5. Document the impact of an extended loss to the operations and key business functions
6. Determine immediate and extended terms system recovery requirements
7. Document opportunities to mitigate risk in all aspects of business continuity
8. Provide FMFB-A management with an understanding of the total effort required in resources, staff time and capital to develop and effective BC&DR plan including digital financial services (DFS).
9. Develop a detail recovery process flow that address the current physical location of the Bank
10. Identify the team(s) required to facilitate the recovery process in the event of a disaster
11. Develop a BC&DR plan that is understandable, in digital format and easy to use and maintain



12. Define a BC&DR plan maintenance plan that can be integrated into FMFB-A's ongoing business planning and information services process in order for BC&DR plan to remain viable over time.
13. Implementation of the agreed upon opportunities to mitigate risk in event of a disaster

The Bank will consider (i) Reputed Consultant Company/s (ii) an Expert seconded by a reputed consulting company or (iii) an individual Consultant capable of providing the services detailed out in this document.

2. Objectives

Following are the objective of BC&DR Program

- Put in place, in advance, measures to mitigate the impact of disruptions, if they occur,
- Ensure the Bank is equipped with Disaster Recovery Center(s), adequate to the scale of operations in various locations, and equipped with the necessary hardware and software to restore key business and support processes. The Consultant shall be expected to propose a solution with regard to a primary and secondary DR Site of the Bank.
- Ensure the restoration of the Bank's critical applications, core business and support processes is achievable within the Recovery Time Objective (RTO).
- Ensure the Bank's BC&DR policies and procedures are up to date, simple and practical.
- Maintain a high level of confidence that the BC&DR arrangements are effective through their periodic testing, reviews and audits.
- Ensure the bank staff are trained on the BC&DR arrangements.

3. Scope of Work

The Scope of work in BC&DR Program is defined as following:

3.1. General Requirements

- The BC&DR Program will be implemented at the enterprise level, and during the project will encompass the Head Office functions and selected 5 pilot Branches, this may include three branches in Kabul, one branch in Mazar and one branch in Herat. The consultant will need to physically visit and review the arrangements in the branches.
- It should be aligned to global BC&DR good practices and standards and utilise an Incident Command System (ICS) methodology as defined in a common response framework by the Justice Institute of British Columbia (JIBC) – **1st choice** or Federal Emergency Management Agency (FEMA) – **2nd choice**. The ICS methodology should be integrated and used in conjunction with the BC & DR Plan in the initial planning, training, exercise programs and crisis operations to assure proper command, control and communications during actual events in order to meet the defined recovery time/point objectives. This should provide for increased stakeholder confidence, and a decrease in response, recovery and restoration timelines and align with the AKDN Disaster Risk Management Initiative (DRMI) to strengthen the relevant crisis and disaster management capabilities of the AKDN agencies.
- It should be aligned to global BC&DR good practices and standards.
- It should cover the components of people, processes and infrastructure.

3.2. Analysis

- Review and evaluate the Bank's BC&DR work to-date.
- Based on the Bank's current (and planned for immediate launch) activities and the Bank's structure, Identify and define a list of the critical business and support functions.



- Analyze Current State, conduct Risk and Business Impact Analysis (RBIA), affirm Business Process Priorities, and establish Recovery Time Objective (RTO) and Recovery Point Objective (RPO) for various business functions;
- Provide FMFB-A management with an understanding of the total effort required in resources, staff time and capital to develop and effective BC&DR plan including Digital Financial Service (DFS), which should be prioritized in the event of BC&DR activities.
- Develop a BC&DR framework and methodology as a guide for implementing the BC&DR Program in the Bank.

3.3. Training

- Conduct a training / workshop for FMFB-A staff selected from the Bank key Head Office Departments and Branches on the concept and approach to design and test BC&DR Plan (max 15 persons).

3.4. Design

- Propose a solution with regard to a primary and secondary DR Site of the Bank
- Develop Availability and Recoverability Procedures.
- Involve the trained Bank staff in the development of BC&DR Plans for key business and support processes. Supervise and coach them.
- Obtain the sign off for the designed BC&DR Plans by the FMFB-A Steering Committee.
- Develop a plan for BC&DR that is understandable in digital format and easy to use and maintain.
- Develop cyber incident response planning for overall servers particularly SWIFT.

3.5. Testing

- Conduct pilot implementation of the approved BC&DR Plans in the Head Office and selected 5 pilot Branches.
- Involve the trained Bank staff in the testing of BC&DR Plans for key business and support processes. Supervise and coach them.
- Draw a report from pilot implementation, including the evaluation of results, lessons learnt and suggested improvements in the BC&DR Plans.
- Update the BC&DR Plans accordingly and obtain the sign off for BC&DR Plans by the FMFB-A Steering Committee.

4. Approach to BC&DR Planning and Implementation

We request the following elements to be included in scope of the Consultant's assignment. The proposed methodology can differ, but cannot exclude any of the elements below.

4.1. BC&DR Framework

- a. Scope of BC&DR: Consultant needs to list departments and processes to be covered and document the same based on inputs from the Bank
- b. BC&DR Governance Structure: Review existing BC&DR Governance structure and recommend improvements
- c. BC&DR Program Plan: Consultant should prepare a detailed program plan including escalation matrix and status reporting formats
- d. BC&DR Policy: Consultant should review FMFB-A's BC&DR Policy and suggest improvements to make it a comprehensive and robust document
- e. BC&DR software: Consultant may recommend use of BC&DR software for implementing the BC&DR Program.



4.2. Business Impact Analysis

- a. Consultant should define and document the Business Impact Analysis (BIA) approach
- b. Consultant should create detailed BIA templates that should include but not be limited to the following parameters.
 1. Mega and major process overview.
 2. Impacts to be considered (e.g. financial, non-financial).
 3. Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs).
 4. Weightages for estimating criticality of processes.
 5. Seasonality.
 6. Staff requirements for Business As Usual (BAU) and recovery.
 7. Dependencies – internal and / or external.
 8. Existing workarounds.
 9. Time periods for recovery resources to be arranged e.g. after 2hrs, 12 hrs, 1-2 days etc.
 10. Recovery resource requirements at each of the above time periods.
 11. Applications, automation tools and utilities dependencies.
 12. The template should be customized to cover special requirements for Basel-II/other regulatory bodies. The template will subject to the FMFB-A Steering Committee sign off prior to its use.
- c. Conduct BIA.

4.3. Risk Assessment

- a. Define Risk Assessment Methodology: Consultant shall define and document the Risk Assessment (RA) Methodology for identifying Business Continuity risks.
- b. Consultant should conduct a detailed RA across all critical processes identified during BIA.
- c. To expedite the process, Consultant should to the extent feasible leverage upon existing Risk Management practices, Risk Registers and note Business Continuity risks identified, if any.
- d. Consultant shall provide and present the RA report to FMFB-A BC&DR Steering Committee.



4.4. BC&DR Plan

- a. Define Bank-wide BC&DR Approach
 1. Based on BIA and RA results, Consultant shall define and document the BC&DR Approach.
 2. The BC&DR Plan should provide recovery options and cost benefit analysis of each option for consideration by FMFB-A BC&DR team.
 3. The options should be presented to FMFB-A Steering Committee for sign off.
- b. Define the Structure for implementation of the BC&DR Approach.
 1. Consultant shall define the Crisis Management Framework and Emergency Response Framework including teams, roles, responsibilities and procedures for each team.
- c. Define BC&DR Plans for individual functions
 1. Consultant shall define and document detailed BC&DR plan and procedures for all business and support functions, and locations included in the scope. These should include both an organization level BC&DR Plan as well as department and branches level BC&DR Plans.
 2. Plans and procedures shall include but not be limited to Invocation Plan (act of declaring that the bank's business continuity arrangements needs to put into effect in order to continue delivery of key products or services), Crisis Management Plan, Call Trees etc.
 3. If appropriate for the scale of business activities of the Bank, Consultant may recommend the use of ITC tools, including specialized software, automated notification systems etc. for effective Business Continuity response.

4.5. IT Disaster Recovery Review

- a. Current Readiness of IT Disaster Recovery Setup: Consultant should assess the readiness of the current IT Disaster Recovery Setup and determine if it meets the requirements identified in the BIA. Consultant should propose improvements for any gaps identified. The Consultant shall be also expected to propose a solution with regard to first and second DR Site of the Bank.
- b. Consultant should review the IT Disaster Recovery Plan and ascertain if it is comprehensive to meet real DR invocation (act of declaring that the bank's IT Disaster Recovery Plan needs to be put into effect in order to continue delivery of key products or services). Any gaps found in the BC&DR Plan should be discussed and briefed to the FMFB-A BC&DR Steering Committee.
- c. Consultant should review the last 3 DR Drill Reports and suggest areas of improvement, if any.

4.6. BC&DR Training/Awareness

- a. Consultant should create a detailed BC&DR Awareness plan, covering awareness sessions for the number of certain staff in FMFB-A.
- b. Consultant should propose automated solutions for periodic awareness and evaluation of general staff.
- c. Consultant should recommend and design innovative methods to spread BC&DR Awareness.

4.7. BC&DR Maintenance

- a. Define BC&DR Maintenance Framework: Consultant shall develop the maintenance framework for BC&DR. This should include maintenance schedules for all components of the BC&DR Program including:
 1. BC&DR Policy.
 2. Business Impact Analysis.
 3. Risk Assessment.
 4. Disaster Recovery Plan.
 5. Crisis Management Framework.
 6. BC&DR Awareness and Training Program.
 7. BC&DR Testing and Exercising.



Consultant will be requested to propose time schedule for the program activities; and later submit monthly information about elapsed time, man days effort, number of team members deployed etc. and make presentations to the BC&DR Steering Committee on the extent of work that has been completed and the plan for the remaining period at a mutually agreed frequency.

5. Proposal Preparation

5.1. Technical Proposal: evaluation of proposals is made easier when the consultant respond in a similar manner. The following format and sequence should be followed in order to provide consistency in proponent response and to ensure that each proposal receives full consideration.

Business organization and History: State the full name, address and phone number of your organization. If applicable, the branch office or other subordinate offices that will perform, or assist in performing, the work hereunder.

Understanding of RFP: State in concise manner your understanding of the problem(s) presented by RFP.

Narrative: include a narrative summary description of proposed efforts and of the services / products that will be delivered

Technical work plans: provide a detailed research outline and timelines for accomplishing the work.

Prior experience: describe the prior experience of your organization which you consider relevant to the successful accomplishment of the project defined in this RFP. Include sufficient detail to demonstrate the relevance of such experience

Project staffing: identify a project manager and staff assigned by name and title. Include biographies; experience any other appropriate information regarding the team's qualification for this RFP.

Include any other information which is believed to be important and not specifically asked.

Deliverables: Must clearly state the deliverables to be produced e.g. BC&DR Framework, Business Impact Analysis Reports, BC&DR plan, BC&DR test reports, status report, minutes of meetings, training reports etc. following is the detailed list of deliverables:

- Report that ranks business functions by importance.
- Report that ranks business application by importance including RTO and RPO.
- Asset recovery by importance.
- Identification of opportunities to mitigate risk and should include remediation time and cost estimates.
- Executive summary.
- Process flow which should state the overall all BCP and DR.
- The step to declare a disaster.
- A listing of key personnel with titles, contact information and their roles for each aspect of BC&DR.
- Steps needed to failover to an alternative site that will provide business functions recovered in the order of criticality, within the RTO and RPO.
- Steps need to restore service at a primary site when the declared disaster has ended.

5.2. Financial Proposal

5.2.1. Service Fee

The service fee shall be presented in United States Dollars (USD) currency.



Local tax shall be withheld from the due service fee. Please note the current rate is 2%, if the consultant is registered in Afghanistan, and 7% if the consultant comes from abroad.

5.2.2. Logistical Cost

Transportation will be facilitated for pick up and drop of external service providers. In case the consultants coming from abroad, the Bank will support them with obtaining visas. Further, out of pocket expense like air tickets, hotel booking in Kabul etc. will be arranged by FMFB-A and charged on actual including meal. Air travels should be in economy.

5.2.3. Costs Prior to Contract

No payment will be made for any costs incurred in the preparation or submission neither of proposals; nor in the negotiations, preparation and signature of the contract or for any other work prior to the engagement date.

6. Background Check

The Bank reserves the right to check and verify the background of all or any persons (firms, directors, partners, sub-contractors (if any), technical staff, etc) involved in the bid and reserves the sole right to determine whether or not to accept or reject any such bid on any grounds.

7. Requirements

Following are our requirement from external service providers:

1. The service provider firm (or a Consultant) should be duly licensed, registered with having proper operating permits and other statutory requirements; it must have been engaged in the business for at least five (5) years.
2. The firm shall provide consistent and quality service through qualified, experienced, skillful and highly trained Expert(s), who should have at least five (5) years' experience in the field of BC&DR. We kindly request the firm to submit at least three (3) Curriculum vitae (CV) of Experts as part of proposal. FMFB-A may select one of them for the project.
3. In case of an individual Consultant, he/she should have at least five (5) years' experience in the field of BC&DR and a relevant degree or professional certificate. The skills and experience need to be supported by documents.
4. The program should be aligned to global BC&DR good practices and standards and utilize an ICS methodology as defined in a common response framework by the JIBC – 1st choice or FEMA – 2nd choice. The ICS methodology should be integrated and used conjunction with the BC & DR Plan. In the case of an individual Consultant, he/she should have at least five (5) years' experience in the field of BC&DR and ICS integration with a relevant degree or professional certificate. The individual consultant should also be qualified in the ICS methodology from level ICS 100 – 400 and hold Emergency Operations Centre qualifications. The skills and experience need to be supported by documents.
5. Proven capability in undertaking similar type of assignment by the contractor shall be supported by at least two (2) reference letters from the clients that were provided with a similar service. The reference letters should clearly indicate the duration of association and the contact details of the client for verification.
6. Bidders should include details regarding expected visits, time required to produce draft and final reports.



8. Security Rules/Protocols to be Followed by External Service Providers

FMFB-A has Security Department which functions to protect the bank staff, property and members of the public who come to do business at the bank through advises related to security. Security Department analyzes potential threats to the bank's security and devise strategies for avoiding or mitigating all such risks. Accordingly, the external service provider will have to follow the security rules of FMFB-A related to their travel from one location to another (e.g. guest house to bank and/or vice-versa), overnight stay and all other security related issues.

9. Confidentiality

All information and data obtained by the consultant during the project shall be kept strictly confidential. The Consultant shall be requested to sign a Non-Disclosure Agreement with FMFB-A.

10. Timeline

We have evaluated that the service will not last more than 6 months, with start date foreseen in the beginning of 2018. However, the bidders should include details about expected visits, time required to produce draft and final reports.

FMFB-A reserves the right to extend or shorten this period.

Timetable for this Request for Proposal:

Tentative Date	Activity
26-Jan-2018	Vendors to provide Intention to Bid notification Questions
16-Feb-2018	Completed vendor RFP Responses received
25-Feb-2018	Vendor RFP Responses evaluation and shortlisting completed
28-Feb-2018	Interview with Shortlisted Vendors through Skype and decision on the selection of finalist vendors
5-Mar-2018	Contract negotiation start

FMFB-A reserves the right to change the tentative work plan and its timeline.