

**Request for Proposal (RFP) for the Credit Risk Rating Scorecard/Tool of  
the New Development Bank**

**The New Development Bank  
Time of Release: November 28, 2017**

## Instructions to Bidders

1. Name of Client: The New Development Bank
2. Preparation of **Credit Risk Rating Scorecard** proposal
  - 2.1. Please note the proposal shall be prepared in English.
  - 2.2. For the detailed requirements of the proposal, please refer to the following **Terms of Reference**
3. Application, submission, initiation and review of the proposal
  - 3.1. The deadline of application for participation is **DEC. 4, 2017**.
  - 3.2. After receiving positive response to application, the bidder is required to submit their proposal in sealed cover to the following address:

Mr. Wang Huaxue  
The New Development Bank  
Floor 33, Lujiazui Ring Road 333  
Pudong, Shanghai 200120, P.R. China

For those bidders other than located in mainland China, the submission via electronic channel is also an option.

The email address: [wang.huaxue@ndb.int](mailto:wang.huaxue@ndb.int)

- 3.3. The proposal shall be submitted no later than **DEC. 15, 2017**.
- 3.4. All related expenses including taxes involved in the contract shall be included in the proposal.
- 3.5. The bid proposals will be reviewed by NDB's team, and only the winning bidder will be notified.

## **Terms of Reference: Credit Risk Rating Scorecard**

The New Development Bank ('NDB' or 'Bank') was established by an Agreement of the New Development Bank signed by five countries (Brazil, Russia, India, China and South Africa) to mobilize resources for infrastructure and sustainable development in BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions for global growth and development. NDB started operations in 2015 with its Headquarters at Shanghai. The first Regional office of the NDB will be in Johannesburg, South Africa.

The Bank is committed to establish and foster a diverse work environment built on the pillars of meritocracy, collaboration, result-driven orientation and organizational efficiency. The Bank is building a team of young high-achieving individuals who like to challenge the status quo and bring in new ideas, innovation and approaches. The Bank aims to fulfill the development agenda of its member countries through efficient project financing and result orientated investment decision making built on the strong foundation of ethics, compliance and governance with a highly productive workforce that represents the most meritorious and competitive talent pool. The Bank will create a corporate culture based on mutual respect, diversity and shared values.

With a focus on building a Multilateral Development Bank which can redefine and establish the next "new practice" in the field of development finance, the terms of reference includes a comprehensive and innovative design of the Credit Risk Rating Scorecard for the New Development Bank ("Bank") taking into account global best practices and in context of the Multilateral Development Banks and leading global commercial and investment banks.

### **Credit Risk Rating Scorecard**

Based on the above and in discussions with the relevant internal stakeholder, the deliverables for Credit Risk Rating Scorecard design includes, but not limited to, the following areas:

1. Designing guiding principles of Credit Risk Rating Scorecard to be used internally by the NDB based on the pillars of objectivity and measurability. The tool must be fully in line with the international MDB as well as commercial banking practice. It should be designed for the credit rating assessment of corporates, project finance transactions and financial institutions (banks).
2. Designing the Credit Risk Rating Scorecard ratios, key credit risk rating factors and weights such as would be appropriate and acceptable to the leading rating agencies, auditing companies and financial analysts. It shall be clearly understandable for all internal users at NDB.
3. Define and implement in a quantitative way the precise statistical weights attached to each rating factor and integrate those factors and their weights in the entirety of the credit rating risk tool.
4. Run, test and calibrate the quantitative credit risk rating tool to achieve the result, which is clearly measurable and comparable on the internationally accepted credit rating scales and attributable factors such as Probability of Default and Loss Given Default Rates (LGD).
5. Design the most appropriate Credit Risk Rating Scorecard and model interface (including the software), which is self-explanatory and user friendly.

6. Create the user manual and the guideline explaining the model, the definition of each rating factor individually and in their combination, as well as calculation methodology for each factor.
7. Support the NDB in integrating the scorecard in the Bank's internal software as well as implementing the model among the NDB internal users.
8. Help the NDB maintain, update and upgrade the Credit Risk Rating Scorecard on the regular basis as appropriate. Provide training and post implementation support. Facilitate the tool structure change to make it increasingly customized in line with NDBs requirements.
9. Provide the appropriate and internationally accepted official certification for the credit risk rating tool, its results and supporting documents.
10. Provide, facilitate and help implement any other facilities, tools and documents as would be necessary to build up, implement and maintain the Credit Risk Rating Scorecard.