

**TERMS OF REFERENCE (ToR)
FOR
ORGANIZATIONAL DEVELOPMENT AND RESTRUCTURING OF
NATIONAL COOPERATIVE BANK LTD. (NCBL)**

Context/Preamble

National Cooperative Bank Limited (NCBL) is a financial institution dedicated to promoting cooperative banking across Nepal. With a broad network and a mission to serve underserved and rural communities, NCBL supports cooperative societies and advances financial inclusion. Governed by a Board of Directors elected by its members, NCBL operates through its central office and regional branches nationwide.

In recent years, NCBL has faced challenges including high non-performing loans (NPL), low capital adequacy ratio (CAR), and inefficiencies in selling non-banking assets (NBA). These issues highlight the urgent need for organizational restructuring to enhance sustainability, regulatory compliance, and overall performance.

Objective

NCBL requires a strategic restructuring to ensure long-term sustainability, improve service delivery, and strengthen monitoring mechanisms. This process will involve:

- Review NCBL Existing Overview (Business Portfolio, Governance, Institutional analysis, Financial Analysis, Risk Analysis, ICT system, HR System and workload review, Service Delivery, Legal framework applicable for NCBL and its impact etc.)
- Revising the HR strategy and optimizing staff placement
- Restructuring operational systems and procedures
- Aligning all reforms with NCBL's strategic vision and mission
- Ensuring full compliance with Nepal Rastra Bank (NRB) regulations while upholding cooperative values and principles
- Conducting the process in a consultative, inclusive, and cost-effective manner, led by professionals experienced in cooperative banking and financial services

Modality of Working

The Consultant will engage in a participatory and inclusive process, consulting with:

- Board of Directors, Account Supervisory Committee and Senior Management
- Staff across all departments and branches on sample basis
- Regulatory and oversight bodies including Nepal Rastra Bank (NRB), National Cooperative Regulatory Authority (NCRA), and the Department of Cooperatives (DOC)
- Member and other local partners

The Consultant will conduct field visits to selected branches to gather insights and validate findings. The process will include structured interviews, focus group discussions, and review of recent NRB directives and cooperative sector reforms relevant to NCBL.



Scope of Work and Responsibilities

A. Organizational Review and Strategic Restructuring

1. Comprehensive Institutional Assessment

- Review governance structures, board composition, management hierarchy, Financial Analysis, Risk Management system, operational modality
- Assess decision-making processes and stakeholder perceptions
- Analysis of banks member and nature of business of bank.
- Detail analysis of all tasks in every field.

2. Strategic Restructuring Roadmap

- Develop a transformation roadmap to make NCBL lean, agile, and responsive
- Propose revised structures for:
 - Governance: roles, responsibilities, and accountability mechanisms
 - Management: operational leadership and functional alignment
 - Governance–Management Interface: decision-making protocols and performance oversight

B. Specific Responsibilities

- a. Ensure full compliance with NRB directives, cooperative laws, and financial regulations
- b. Design a restructuring plan in consultation with the Board, ASC, Management and NRB, aligned with NCBL's strategic goals
- c. Develop a business model that is sustainable, inclusive, and performance-driven
- d. Recommend HR reforms, including:
 - a. Right-sizing and staff placement
 - b. Performance-based contracts
 - c. Capacity building and succession planning
 - d. Propose modalities for voluntary separation schemes (e.g., golden handshake) where necessary
 - e. Create an enabling work environment that attracts and retains top talent
 - f. Introduce innovative practices such as digital transformation, risk-based supervision, and cooperative member engagement
 - g. Conduct workload analysis and recommend efficiency improvements
 - h. Establish a performance evaluation system for Senior Management Team tied to KPIs
 - i. Recommend updates to the HR Manual/System to reflect modern practices and compliance needs

Key Result Areas for the Performance of the Consultant

1. Policy and Strategic Reform

- Strengthen NCBL's strategic direction to enhance financial sustainability, regulatory compliance, and cooperative values



- Align institutional goals with HR related policies and procedures. national financial inclusion priorities and cooperative banking principles
2. **Organizational and Management Reform**
 - Streamline management functions for operational efficiency and better service delivery
 - Introduce innovative practices and digital tools to modernize operations
 3. **Human Resource Management Reform**
 - Implement a performance-based HR system with clear roles, responsibilities, and KPIs
 - Ensure optimal staff placement based on skills and workload analysis
 - Build professional capacity through training, succession planning, and career development
 4. **Planning, Programming, and Budgeting Reform**
 - Establish a policy-driven planning and budgeting framework
 - Introduce periodic financial planning aligned with strategic priorities
 - Strengthen accountability and resource optimization across departments/units.

Duration of the Performance Contract

This performance contract will be effective for Three month from the date of appointment of Consultant

Deliverables

The Consultant must submit the final report within 3 months of the beginning of the assignment.

- Inception Report
- Diagnostic/Assessment Report
- Draft Restructuring Plan
- Final Organizational Development and Restructuring Report
- Implementation Roadmap

Evaluation Criteria

1. Technical Proposal – 70%
2. Financial Proposal – 30%



Format of Proposal

A. Technical Proposal Form

1. Table of Contents

2. Relevant Experience

Kindly give details of similar services (a minimum of 5 in the past 10 years) offered and provided by your firm.

3. Comments and Suggestions

Please clearly identify input required from National Cooperative Bank Ltd. on the proposed scope of work and on the data, services, facilities or other inputs.

4. Overall Approach & Methodology plan (technical content)

This section should include your overall approach and methodology in undertaking the given tasks identified under the scope of work section of this TOR. Details of your approach and methodology must be provided under the following broad headings:

- a. Preplanning
- b. Planning and timing
- c. Field work
- d. Reviews and wrap-up
- e. Report issuances
- f. Commitment to ensuring quality
- g. Use of Technology

5. Engagement team

Kindly write about the structure of team that you propose to engage in this assignment with their roles and qualification under the following broad headings

- a. Engagement Team structure
- b. Engagement team roles and qualification

The resume of key personnel not exceeding 2 pages each must be provided highlighting their qualification and areas of expertise that best demonstrates their suitability to the work that is required to be undertaken under this Terms of Reference.

In addition, please provide a team deployment plan clearly highlighting time commitment of key personnel and other proposed team members for this Assignment.

Commitment to Continuity

Kindly give us in writing that how you focus, attract and retain best people. Also, how you ensure that there would be no change in key staff related to this assignment

Client references

Kindly provide names and contact persons for 3 clients from whom we could seek reference about you or your firm.



Timeline and Deliverables

NCBL expects the agency/ consultant to submit First draft report within 7 days of completion of filed work with branch response. The agency/ consultant needs to submit a timeline for the deliverable within the broad time frame for this scope of work.

B. FINANCIAL PROPOSAL FORMAT

NCBL requests that the firm/ individual to submit an all-inclusive financial proposal showing a breakdown in terms of professional fee and estimated time to be spent by each of the team members to be deployed for the assignment.

Particulars	Total Amount (in Rupees)
Professional Fees	
VAT	
Total	

* Kindly include all estimated out of pocket as part of your professional fees. The NCBL shall not make any further payments for the assignment, beyond the professional fee quoted.



Eligibility Criteria:

Interested consulting firms must submit documents fulfilling the following minimum criteria:

1. Legal entity in operation for at least 5 (five) years.
2. Copy of Company/Firm Registration Certificate, PAN/VAT Registration, and Tax Clearance Certificate of the previous fiscal year.
3. A declaration/affidavit of not being blacklisted by any Government or Autonomous Body.
4. Relevant experience in O&M or organizational restructuring assignments, preferably in banking/financial institutions.

Criteria for individuals:

1. Experience in related field for 5 years.
2. Copy of citizenship.
3. A declaration/affidavit of not being blacklisted by any Government or Autonomous Body.
4. Relevant experience in O&M or organizational restructuring assignments, preferably in banking/financial institutions.

