

Terms of Reference for ERM Expert

Title:	Enterprise Risk Management (ERM) Expert
Client:	Central Bank of Somalia (CBS)
Location:	CBS Headquarters, Mogadishu
Duration:	12 Months
Type:	On-site Consultancy

1. Background

As part of the **SPRING Project**, under **Component 2: Deepening Financial Sector Reforms and Strengthening Institutional Capacity**, the Ministry of Finance intends to utilize World Bank financing to strengthen governance frameworks, risk management systems, and institutional resilience within key financial sector institutions, including the Central Bank of Somalia (CBS).

The **Central Bank of Somalia (CBS)**, as the country's primary monetary authority, is mandated to maintain monetary stability, regulate and supervise financial institutions, and safeguard financial system integrity. In line with its strategic reform agenda and commitment to sound governance and accountability, CBS is strengthening its Enterprise Risk Management (ERM) framework to ensure systematic identification, assessment, monitoring, and mitigation of risks across all operational, supervisory, and strategic functions.

CBS has previously established foundational ERM policies and procedures with external advisory support. Building on this foundation, the Bank now seeks to institutionalize and elevate its ERM framework to a higher level of maturity, aligned with international good practice and central banking standards.

To this end, CBS intends to engage a qualified **Enterprise Risk Management (ERM) Expert** to conduct a comprehensive ERM maturity assessment, enhance risk governance structures, develop a structured multi-year ERM enhancement roadmap, and strengthen sustainable institutional capacity in risk management.

The assignment will focus on embedding risk-based decision-making across the institution, strengthening risk culture and accountability, improving integration of risk considerations into strategy and operations, and enhancing overall institutional resilience.

This initiative directly supports the objectives of **Component 2** by reinforcing governance systems, strengthening institutional capacity, and advancing risk-based management practices within Somalia's central banking framework.

2. Purpose and Objectives

The purpose of this assignment is to support CBS in establishing a robust, integrated, and sustainable ERM framework by:

- Assessing CBS's current ERM maturity and benchmarking it against a recognized ERM maturity model.
- Designing a practical, phased multi-year roadmap to enable CBS to progress toward an optimized ERM maturity level (Level 5).
- Developing and/or enhancing ERM-related policies, procedures, and tools required for implementation.
- Building institutional capacity through targeted training, coaching, and hands-on support across the Three Lines of Defence.

3. Scope of Work

The ERM Expert will provide technical leadership to strengthen CBS's risk management governance, processes, and culture. This includes assessing current practices, defining target maturity, developing implementation tools, and embedding ERM into strategic planning, decision-making, and performance management.

4. Duties and Responsibilities

a. *ERM Maturity Assessment*

- Conduct a comprehensive ERM maturity assessment using a recognized model (e.g., COSO ERM, ISO 31000-based maturity models, or equivalent).
- Assess governance arrangements, risk culture, risk identification and assessment, controls/mitigation, monitoring, reporting, and integration with strategy and decision-making.
- Document the maturity rating, key strengths, critical gaps, and prioritized improvement actions, with clear evidence and practical recommendations.

b. *ERM Roadmap Development*

- Develop a practical, phased multi-year ERM roadmap to guide CBS toward an optimized (Level 5) maturity state.
- Define milestones, priorities, responsible parties, timelines, dependencies, resourcing needs, and success indicators for each phase.
- Ensure alignment with CBS's mandate, strategic objectives, operating environment, and applicable supervisory expectations.

c. *Policies, Procedures, and Tools*

- Review existing ERM policies, frameworks, procedures, and prior deliverables to identify gaps and opportunities for consolidation.
- Develop and/or update ERM-related policies, procedures, manuals, and guidelines required to support the maturity journey.



- Design practical ERM tools and templates (e.g., risk taxonomy, risk register, risk appetite statement, key risk indicators (KRIs), incident/event reporting, and management reporting dashboards).

d. Capacity Building and Knowledge Transfer

- Train and coach Risk and Compliance Division staff on advanced risk and compliance concepts and practical ERM implementation.
- Provide hands-on coaching on risk identification, assessment techniques, risk reporting, monitoring, and assurance.
- Develop and deliver tailored training for the Three Lines of Defense: (i) business and operational units, (ii) risk and compliance functions, and (iii) internal audit and assurance functions.
- Promote clarity on roles, responsibilities, escalation, and accountability under the Three Lines of Defense model.

e. Stakeholder Engagement and Advisory Support

- Engage senior management, committees, and key stakeholders to build awareness, buy-in, and sustained adoption of ERM practices.
- Provide advisory support on ERM-related matters as requested, including risk committee support, reporting, and decision support.
- Support change management initiatives to strengthen risk culture across CBS.

f. Other Tasks

- Perform other ERM-related tasks reasonably required to achieve the objectives of this assignment and support the successful maturation of CBS's ERM framework.

5. Deliverables

The ERM Expert will produce, at minimum, the following deliverables:

- ERM Maturity Assessment Report, including maturity rating, gap analysis, and prioritized recommendations.
- Multi-year ERM Roadmap toward Level 5 maturity, including a phased implementation plan and monitoring framework.
- Updated ERM policies, procedures, and implementation tools/templates.
- Training materials and delivery of agreed training sessions; completion report including attendance and assessment results (where applicable).
- Periodic progress updates and a final assignment completion report summarizing work performed, results achieved, and next steps.
- Knowledge transfer through targeted training and workshops

6. Required Qualifications and Experience

a. Academic and Professional Qualifications

- Master's degree in Economics, Finance, Risk Management, Business Administration, or a closely related field (or equivalent experience).
- Professional certification(s) such as FRM, PRM, CRM, or equivalent.

- Strong knowledge of international ERM standards and good practice (e.g., COSO ERM, ISO 31000) and a solid grounding in risk management, compliance, and corporate governance.

b. Practical Experience

- At least eight (8) years' demonstrable experience in ERM implementation, preferably within central banks, regulators, or financial institutions.
- Proven experience in training, coaching, and institutional capacity building.
- Demonstrated ability to translate frameworks into practical tools and embed them into business processes.

c. Language and Computer Skills

- Operational fluency in English (written and spoken).
- Proficiency in standard business software and documentation tools; familiarity with ERM/risk reporting tools is an advantage.

7. Performance and Evaluation

Performance will be assessed against the following criteria:

- Quality, clarity, and practicality of deliverables.
- Achievement of agreed milestones and timelines.
- Effectiveness of training, coaching, and knowledge transfer.
- Stakeholder satisfaction and observable progress in ERM maturity.

8. Ethics, Integrity, and Confidentiality

- Demonstrate the highest standards of integrity, impartiality, and professionalism.
- Maintain strict confidentiality of CBS information, data, and internal deliberations.
- Avoid conflicts of interest and disclose any potential conflicts promptly.

9. Duration and Type of Engagement

12 months, renewable based on performance and institutional priorities. This is a full-time position based at CBS Headquarters in Mogadishu. Occasional national or international travel may be required for CBS missions, training, and strategic engagements.