

REQUEST FOR PROPOSAL INVESTMENT STRATEGY SOCIAL SECURITY BOARD

INTRODUCTION

The Social Security Board (SSB) is inviting a suitably qualified consultant or consulting firm to submit a proposal to guide the strengthening of SSB’s investment strategy and policies and realign and strengthen the strategy-supportive systems, processes and structure of its Investment Services Department.

Section 49 of the Social Security Act provides for the establishment of the Social Security Fund and authorizes the Social Security Investment Committee to make recommendations to the Social Security Board on the Investment of the reserves of the Fund. The Board is the final authority on the management of the investment portfolio of the Board. The Act provides for and includes an Investment Framework that guides the Investment Committee and the Board regarding investment of the reserves of the Fund.

BACKGROUND

The mission of SSB is to:

- Deliver a customer-centered and financially sustainable Social Security Program that provides lifetime coverage to our beneficiaries.

All SSB’s processes focus on achieving the mission. The Strategic Plan 2018–2022 was derived from a methodical and rigorous assessment of the organization’s strengths, weaknesses, opportunities for change, and threats to sustainability. The Strategic Plan resulted in five objectives:

- Strategic Objective 1: **Enhanced Customer Experience**
- Strategic Objective 2: **Robust & Financially Thriving Institution**
- Strategic Objective 3: **Strengthen Reputation & Image**
- Strategic Objective 4: **Empowered & Enabled Workforce**
- Strategic Objective 5: **Improved Health Outcomes**

A priority strategic initiative that will contribute to the achievement of SSB’s robust and financially thriving position is optimizing the performance of investments over the five year period.

Investment Income accounts for approximately 25% of the Fund’s revenue and with the narrowing period of equilibrium, higher investment returns while minimizing risk is critical.

In order to achieve the financial sustainability outcomes articulated in the Strategic Plan, SSB is seeking to update its investment strategy inclusive of governance arrangements, risk appetites and the supporting systems and processes of its investment department. Our goal is to align our investment decision approach and investment portfolio management practices with industry best practices, inclusive of those promulgated by the International Social Security Administration.

KEY OBJECTIVES AND RELATED TASKS OF THE CONSULTANCY

The related tasks shown below are not intended to fully encompass all tasks required to fulfil the key objectives for the consultancy. Rather, the tasks below convey the minimum

requirements to fulfil each objective. Additions or innovations to accomplish the objectives are encouraged and expected.

KEY OBJECTIVES	RELATED TASKS
<p>1. A comprehensive review of the current investment framework policies, guidelines and procedures governing SSB’s investment portfolio, actuarial reports and provide recommendations that reflect best practices in investment management decisions.</p>	<ul style="list-style-type: none"> • Examine the current investment legislation, internal policies and procedures. • Work with key stakeholders to determine appropriate risk parameters for investment considerations in order to achieve institutional objectives and investment outcomes. • Review existing Board and sub-committee investment mandates for effectiveness and efficiency.
<p>2. In consultation with management and the Investment Strategy Sub-Committee, articulate an investment strategy that includes policies and guidelines for risk appetite and liquidity management, as well as setting investment portfolio targets for consideration and approval by the Board of Directors.</p>	<ul style="list-style-type: none"> • Examine the current investment portfolio in the context of internal and external conditions. • Review current guidelines, procedures, portfolio targets, limits, and reporting for treasury strategy and the liquidity portfolio versus best practices and provide practical recommendations for implementation. • Review guidelines, policies and processes for investment objectives, focusing on risk-adjusted return analyses in order to provide practical recommendations for implementation. • Establish appropriate policies to govern investment decision processes and methodologies or tools employed for the assessment of risk. • Determine a suitable reporting and approval framework for both policy targets/limits/decisions and investment choices.
<p>3. Recommend an appropriate structure and human resource qualifications of key posts for the Investment Services Department that will enable the execution of the articulated investment strategy and will ensure the long-term sustainability of its results.</p>	<ul style="list-style-type: none"> • Examine the existing staffing structure, reporting lines and mandate of the Investment Services Department. • Determine the most appropriate tools to assess investments and the risks involved.

TIMEFRAME AND EXPECTED OUTCOME

The maximum budgeted time frame for completion of the consultancy is eight (8) weeks. The consultancy is expected to produce a report and usable documents such as investment strategy, inclusive of risk framework/policy in line with the objectives described above and specifically outlining improvements in the following key areas:

- a) A portfolio strategy that reflects a balanced mix of sectoral investments as well as international diversification.
- b) An overarching investment philosophy that includes a clearly articulated risk appetite policy/framework.
- c) Policies and procedures to guide investment analysis, decisions and management, including but not limited to prudent treasury policies and practices (for liquidity management) on the one hand, and the investment portfolio on the other (lending and investment guidelines, concentration limits, real estate appraisal, foreclosure guidelines, loan recovery, bad debts and provision(s), interest recognition, interest capitalization).
- d) Appropriate structures and policies for a robust control environment, and a culture of constructive effective challenge in decision making.
- e) An ideal structure for identification, booking and management of investments, i.e. maintain current internal operations or pursue via an intermediary.
- f) Legislative enhancements
- g) Appropriate structure to better align the Investment Services Department to achieve the outcomes envisioned in the investment strategy.
- h) Conduct and facilitate a joint retreat with Investment Committee and Board to Directors to validate recommendations.

Qualifications required for the Consultancy (Interested parties can request a copy of submission Guidelines and Requirements via pmoody@socialsecurity.org.bz .

Submit bid proposal in two separate and clearly marked packages (technical and fee proposal) to: Chief Executive Officer, Colin Young, Ph.D. at cyoung@socialsecurity.org.bz to reach us not later than March 12, 2018 at 5:00 P.M Belize time.

OR courier service to:

Colin Young, Ph.D.
Chief Executive Officer
Bliss Parade
City of Belmopan,
Cayo District
Belize, Central America

END