

## YOUTH ENTREPRENEURSHIP AND INNOVATION INITIATIVE

### TERMS OF REFERENCE

#### **Providing Training, Mentorship and Facilitating Access to Financing to Youth-led Micro Small Medium Enterprises (MSMEs)**

Dear Consultant,

**Subject: Proposal for Consulting Services, Letter of Invitation (LOI)**

#### **1. INTRODUCTION**

- 1.1** You are hereby invited to submit a technical and financial proposal for consulting services required for the Assignment named in this LOI Data Sheet (referred to as “Data Sheet”). Your proposal could form the basis for future negotiations and ultimately a contract between your firm and the African Guarantee Fund named hereinafter “AGF”.
- 1.2** A brief description of the Assignment and its objectives are given in the Data Sheet.
- 1.2** The Assignment shall be implemented in accordance with the phasing indicated in the Data Sheet.
- 1.3** To obtain first-hand information on the Assignment, please feel free to reach to: Mr. Patrick LUMUMBA on the contact details: [patrick.lumumba@africanguaranteefund.com](mailto:patrick.lumumba@africanguaranteefund.com) . Telephone: +254 722 314809.
- 1.4** Please note that (i) the costs of preparing the proposal and of negotiating the contract, are not reimbursable as a direct cost of the Assignment; and (ii) AGF is not bound to accept any of the proposals submitted.

## 2 PREPARATION OF THE PROPOSAL

### Technical Proposal

Your technical proposal shall provide the following and any additional information:

- (i) A brief description of the Consultant's organization and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles of the staff provided, duration, contract amount and firm involvement.
- (ii) Any comments or suggestions on the TOR, and a description of the methodology (work plan) that the Consultants propose to execute the services, illustrated with bar charts of activities and graphics or the Critical Path Method (CPM) or Program Evaluation Review Technique (PERT) type, whichever is appropriate.
- (iii) The composition of the proposed staff team, the tasks which would be assigned to each, and their timing.
- (iv) CVs with the following key information should include number of years with the firm, and degree of responsibility held in various assignments during the last ten (10) years.
- (v) The Consultant's comments, if any, on the data, services and facilities to be provided by the Bank and indicated in the TOR.
- (vi) A detailed description of the proposed methodology and monitoring.

### Financial Proposal

- a. The daily and total financial proposal should be ALL INCLUSIVE of:
  - Professional fees,
  - remuneration for staff,
  - transportation, telephone
  - tax liability, and
  - any other costs
- b. Costs will be expressed in USD (\$).

### **3 SUBMISSION OF PROPOSAL**

You shall submit/email the Technical and Financial Proposal simultaneously to the following:

Mr. Patrick LUMUMBA: [patrick.lumumba@africanguaranteefund.com](mailto:patrick.lumumba@africanguaranteefund.com)

Ms. Daisy WANJIE: [daisy.wanjie@africanguaranteefund.com](mailto:daisy.wanjie@africanguaranteefund.com)

You shall receive a confirmation of receipt from either of the 2 recipients.

### **4 PROPOSAL EVALUATION**

AGF through its internal Evaluation Processes and approvals will carry out its evaluation using its established Criteria and a Technical Score will be determined. The same will be determined for the Financial Proposal.

### **5 AWARD OF CONTRACT**

- a. The contract will be awarded after successful negotiations with the successful Consultants. Upon successful completion of negotiations, AGF shall promptly inform the other Consultants that their Proposals have not been selected.
- b. The selected Consultant will then sign an Agreement with AGF to facilitate the commencement of the Assignment on the date and at the location contained in this Terms of Reference.

## 1. Background

Micro, Small and Medium Enterprises MSMEs are important levers for economic transformation and job creation in Africa. Supporting businesses to innovate, create jobs, leverage investments and markets is crucial for building resilience and sustainable incomes and thus inclusive growth. In this regard, the YEI MDTF intervention area (i) aims to support financial intermediaries providing accompanying capacity building services to youth owned MSME and start-up clients with a viable product and business model that are promising in terms of inclusive job creation and national social and economic development impact, but lack sufficient capacity and cannot provide the requisite collateral for accessing funds from financial institutions. It is expected that capacity building of start-ups/MSMEs business skills through training, coaching and mentoring will reduce the risk of investing in youth owned start-up. The YEI MDTF also aims to support financial intermediaries that provide capacity building support and services to their financial partners with youth-led MSME/start-up clients and improving their capacity to better serve this segment of clients.

Financial intermediaries refer to commercial banks on-lending to MSMEs, guarantee institutions, insurance companies, asset managers and building societies that provide and facilitate access to capital, loans, mentoring, linkage and networking (e.g. expanded markets), technology and management skills and other resources and accompanying measures to support development and growth of start-ups and/or Micro, Small and Medium Enterprises (MSMEs).

## 2. Target Beneficiaries

- 2.1 Youth: the end beneficiaries are young people that own at least 51% of the supported business or are in majority leadership management of the business. These are those between 15 and 35 years of age.
- 2.2 Start-ups: This Initiative defines start-up enterprises as those businesses with less than two (2) years of existence.
- 2.3 MSMEs: the guiding definition is based on the number of employees-microenterprise: 1-4 employees, small enterprise: 5-19 employees and medium enterprise: 20 - 99 employees.

This initiative targets to train a total of over 400 MSMEs in Ghana, Nigeria, Mali, Togo and Zimbabwe. Out of the 400 trained MSMEs, 200 will further be mentored with an intention of facilitating them to access initial or enhanced financing from identified Financial Institutions (FIs).

### **3. Expected Duties of the Consultant**

The following are the responsibilities expected from the Consultant:

#### **3.1 Inception Activities**

- Develop an Implementation Plan that will guide the undertaking of the assignment/initiative
- Work with AGF to contextualize the Selection Criteria and Selection Process for MSMEs to be included in the Initiative

#### **3.2 MSME Identification Activities**

- Identify and be in consensus with AGF on the stakeholders/sources to access potential MSMEs for the programme
- Implement the MSME Selection Criteria
- Contextualize the AGF designed MSME Diagnostic Assessment Tool
- Undertake a high-level diagnosis of the 400 MSMEs selected to determine their capacity gaps
- Do a Report on the Profiles of the identified MSMEs, 50% of who should be females

#### **3.3 Planning and Undertaking of 2 Training programmes (Start-ups and Growth-oriented MSMEs)**

- Undertake planning and logistics for the Trainings
- Draft and get AGF consensus on the Training Content and Programme based on the Diagnosis Report
- Undertake the Trainings
- Do a Training Report

#### **3.4 Linkage of MSMEs to Financial Institutions (FIs)**

- Work with AGF to identify Youth-friendly FIs willing to be part of this initiative
- Appreciate the FIs lending requirements
- Link the MSMEs being mentored with the FIs

#### **3.5 Designing and Implementation of the Coaching and Mentorship Programme**

- Based on the individual MSME Diagnosis Report and Training findings, design a Coaching and Mentorship programme for MSME
- Clearly stipulate expected milestones and timelines for the Mentorship programme
- Produce Monthly Report for the programme of each MSME

#### **3.6 Planning and Management of the Launch and Networking Forums**

- In conjunction with AGF, planning the logistics and manage the Breakfast Launch forum to kick start the programme in each Country
- Mid-way through the programme implementation, plan the logistics and management of a Networking Forum that brings together MSMEs, Marketers, Financial Institutions, MSME NGOs, Government and Government-related stakeholders etc
- Prepare a Report for the 2 Forums

#### **3.7 Reporting**

- Track, monitor and report on the performance of the MSMEs based on the set Indicators

#### 4. Expected Deliverables

The following are the expected deliverables in hard and soft copies:

Activity	Deliverables
Inception Activities	Inception Report 1. Country Implementation Plan 2. Country Selection Process/Selection Criteria
MSME Identification Activities	1. Country MSME Selection Criteria 2. Contextualize the AGF-designed MSME Diagnostic Assessment Tool 3. Identify Youth-led MSMEs, 50% of whom should be females 4. Diagnosis Report of the MSMEs selected to determine their capacity gaps
Training Activities	1. Training curricula for Start-ups and Growth-oriented MSMEs 2. Training Programmes 3. Training Reports
Coaching and Mentorship	1. Mentorship Programme for selected MSMEs 2. Individual MSME Mentorship Report and General Report
Linkage of MSMEs to Financial Institutions (FIs)	Generic Lending Requirements for Financial Institutions
Launch and Network Forums	1. Country Launch Forum Report 2. Country Networking Report
Reporting	Periodic and Final Report

#### 5. Expected Profile of Targeted BDS Providers

The following are the expected qualifications for potential BDS Providers for this initiative:

- At least 5 years in providing capacity building to MSMEs
- 5 years' experience in MSME financing and indepth knowledge of financial institutions lending to MSMEs
- Solid knowledge on the Country Business Environment
- Project management experience
- At least 5 years in MSME Coaching and Mentorship
- Experience in MSME development in all or any of the 5 countries of target
- Experience in undertaking virtual meetings

h. Skills in Marketing, Financial Management & analysis, HR, Taxation, Legal etc

## 6. Implementation Timelines

It is expected that the duration for implementation of activities would not exceed 10 months effective July 2020.

### APPENDIX 1: Format for Technical Proposal

1. Comments on the Terms of Reference
2. Technical Application/Proposal for the Assignment
3. Proposed Work Plan for the Assignment
4. Technical Track Record for the Assignment
5. Summarised Curriculum Vitae (CV) for the Proposed Key Staff

### APPENDIX 2: Format for Financial Proposal

Provide a highly summarised daily fees budget that is All-inclusive. Use the format below:

Activity	Rate per Day, USD	Day(s)	Number of Countries	Total Amount, USD
Preparation & Undertaking of the Diagnostic Assessment				
Assisting in Planning, Management & Reporting of Forums				
Planning, Undertaking & Reporting of the 2 Trainings				
Undertaking & Reporting of the Mentorship Programme: On-site and Off-site support				
<b>TOTAL</b>				

**NB: The Rate is inclusive of all logistics and tax costs.**