
REQUEST FOR PROPOSAL

SUBJECT:

**TENDER FOR UNDERTAKING FINANCING LANDSCAPING/MAPPING
FOR MSMEs OPERATING IN OCEAN-BASED INDUSTRIES**

REF: AGF/RFP/CD/2024/005

Launching Date: 23 August 2024

Closing Date: 6 September 2024

0000Hrs GMT

UNDERTAKING FINANCING LANDSCAPING/MAPPING FOR MSMEs OPERATING IN OCEAN-BASED INDUSTRIES

Introduction

The African continent boasts the highest entrepreneurship rate globally, with Small and Medium-sized Enterprises (SMEs) playing a pivotal role in achieving sustainable development goals. SMEs constitute 90% of the private sector, significantly contributing to economic growth, job creation, and environmental sustainability. Despite their critical role, SMEs face substantial challenges in accessing finance, leading to a staggering \$330 billion funding gap.

To address these challenges, the African Guarantee Fund (AGF), in partnership with the Norwegian Agency for Development Cooperation (Norad), is committed to enhancing AGF's capacity to support Partner Financial Institutions (PFIs) in lending to SMEs. This initiative focuses on agriculture, ocean-based industries (including the Blue Economy, Maritime Economy, and Aquaculture), and climate financing.

In alignment with these objectives, AGF invites proposals for a comprehensive landscaping and mapping exercise aimed at understanding the financing landscape for MSMEs operating in ocean-based industries across Kenya, Tanzania, Malawi, Mozambique, and Ghana. This project will focus on sectors critical to sustainable development, including Food Security, Blue Economy, Marine Litter, Renewable Energy, Clean Cooking Solutions, and Aquaculture.

About the African Guarantee Fund

African Guarantee Fund (AGF) is a specialized guarantee provider whose mission is to facilitate economic development and poverty reduction in Africa. To achieve this, AGF increases access to finance for Small and Medium-sized Enterprises (SMEs) across key economic sectors through its guarantee products and capacity development assistance.

Since inception, AGF has issued guarantee portfolio of over USD 2 billion, unlocking about USD 4 billion in SME financing, through partnerships with more than 200 partner financial institutions in 40 African countries. As a 2X Challenge qualified institution, AGF is committed to supporting women-owned/led businesses through the Affirmative Finance Action for Women in Africa (AFAWA) Guarantee for Growth program, which aims to unlock up to USD 3 billion in financing for women SMEs in Africa. AGF also fosters sustainable growth by offering a green guarantee facility to lending institutions to enable them increase access to finance for SMEs investing in climate and green growth-oriented economy.

AGF is backed by the following shareholders and sponsors: The Government of Denmark through the Danish International Development Agency (DANIDA), the Government of Spain through the Spanish Agency for International Cooperation (AECID), the African Development Bank (AfDB), French Development Agency (AFD), Nordic Development Fund (NDF), Investment Fund for Developing Countries (IFU), German Development Bank (KfW), French Agency for Private Sector (PROPARCO), West African

Development Bank (BOAD), Global Affairs Canada (GAC), USAID's West Africa Trade & Investment Hub (WATIH), TechnoServe and NORAD.

African Guarantee Fund is rated AA- by globally renowned Fitch Ratings.

Objectives

The primary objective of this project is to map the financing landscape for MSMEs in the specified sectors and countries, identify challenges and opportunities, and provide actionable recommendations for AGF's intervention. The study will cover the following areas:

- Regulatory and policy environments
- MSME profiles and contributions to GDP and employment
- Value chains within the target sectors
- Financing challenges and solutions
- Global trends and best practices
- Potential partnerships for AGF

Scope of Work

The selected consultant/firm will be required to undertake the following tasks:

1.1. Country Overview

- Assess the regulatory and policy environment for the six sectors in each country.
- Identify opportunities within the sectors relevant to MSMEs.

1.2. MSME Profiles in Each Sector

- Analyze the contribution of each sector to GDP and employment, with a focus on youth and women.
- Evaluate the level of formality and informality among MSMEs in each sector.

1.3. Value Chain Analysis

- Map and describe the value chains within each sector, including key players and stakeholders.
- Identify challenges within the value chains and propose viable solutions.
- Highlight financing challenges specific to these value chains and suggest actionable solutions.
- Identify potential opportunities for AGF to support MSMEs within these sectors.

1.4. Financing Landscape

- Identify financial institutions providing financing solutions in the six sectors.
- Summarize the approaches to lending by these institutions.
- Analyze the composition of loan volumes for these sectors within the financial institutions' overall loan portfolios.
- Assess the number or volume of loans disbursed to MSMEs in these sectors.

- Provide an overview of the financial products available to MSMEs in these sectors.
- Identify challenges faced by financial institutions in providing financial solutions.

1.5. Global Trends

- Analyze global trends and innovations within the six sectors.
- Discuss the relevance of these trends to the target countries.

1.6. Stakeholder Mapping

- Identify key stakeholders in each country that AGF could potentially partner with to support MSMEs in these sectors.

Deliverables:

The consultant/firm is expected to deliver the following:

1. Inception Report: A detailed work plan, methodology, and timeline within two weeks of the project commencement.
2. Country Reports: Comprehensive reports for each of the five countries covering all aspects outlined in the scope of work.
3. Executive Summary: A consolidated document summarizing the key findings, challenges, opportunities, and recommendations.
4. Stakeholder Engagement Plan: A strategic plan for engaging identified stakeholders.
5. Presentation: A final presentation to AGF's management team summarizing the findings and recommendations.

Methodology:

- **Desk Review:** Review of reports and plans for the various countries, global trends
- **Interviews:** undertake interviews with key stakeholders generally, in the specific countries etc
- **Analysis:** performance some relevant analysis to produce key information for AGF

Roles and Responsibilities:

AGF:

- Provide any logistical support if needed.
- Assist in making introduction where required.
- Review and give feedback on the draft report.

Consultant:

- Design the mapping approach and plan.
- Execute the assignment.
- Submit all deliverables in a timely manner.

Reporting and Communication:

- Reports to be submitted to AGF contact person.
- Submission of a final comprehensive report.

Proposal Submission and Review Process

Interested consultants/firms should submit a proposal that includes the following:

- Technical Proposal:
 - A detailed approach and methodology for carrying out the project.
 - A work plan with timelines for each deliverable.
 - Experience and qualifications of the consultant/firm, including CVs of key team members.
 - Past experience with similar projects, including references.
- Financial Proposal:
 - A detailed budget, including professional fees and any other costs.
 - Payment terms.

Submission Details

All Correspondences should be addressed to 'The Procurement Officer'. Application proposals should be submitted via email by **0000Hrs GMT on 6 September 2024** to:

- procurement@africanguaranteefund.com

Successful bidder will be contacted directly via email.

Evaluation Criteria

Proposals will be evaluated based on the following criteria:

- Understanding of the assignment and proposed methodology (30%)
- Relevant experience and qualifications of the team (30%)
- Work plan and timelines (10%)
- Cost-effectiveness (30%)

Note:

AGF reserves the right to select or reject any or all proposals, either in totality or partially. Decisions made will be final, and no correspondence will be entertained other than to inform the bidders of the outcome.