

REQUEST FOR EXPRESSIONS OF INTEREST

AFRICAN DEVELOPMENT BANK

Vice Presidency for Private Sector, Infrastructure and Industrialization (PIVP)

Avenue Joseph Anoma – 01 B.P. 1387 – Abidjan 01 – Cote d’Ivoire

1. The African Development Bank hereby invites Consulting Firms to indicate their interest in the following Assignment: **“Assessment of AfDB’s approach to supporting MSME Development”**.

Under the supervision of the Vice Presidency for Private Sector, Infrastructure and Industrialization (PIVP) of the Bank, the proposed assignment has two (2) main objectives: (i) map and assess the African Development Bank (“AfDB” or “the Bank”)’s current approaches towards supporting the development of micro, small and medium sized enterprises (MSMEs); and (ii) recommend best approaches to reach MSMEs and improve the Bank’s impact on their growth based on its strengths and comparative advantage. The assessment will have a particular focus on the Bank’s existing portfolio of MSME programs, initiatives, and funds. It will include a review of the Bank’s instruments, delivery channels (e.g. financial intermediaries), challenges and organizational setup as well benchmarking with sister institutions. The results of the assessment will form the basis of concrete recommendations on how the Bank can strengthen its support to the MSME growth life cycle. *It is noted that the focus of the work is forward looking and not a traditional ex-post evaluation.*

2. In line with the Bank’s mandate to industrialize Africa and improve the quality of life of the African people, the Bank continues to seek ways to support the MSME sector to create employment and grow the size of African economies. In this context, the Bank recognizes the importance of tailored programs, targeted instruments, and effective delivery channels to increase MSME access to finance in Africa. The assessment will assess the current portfolio of programs and funds, the target segments, the instruments deployed, the delivery channels, and the internal organization of the Bank to implement its agenda for MSMEs. The assessment will conduct a benchmarking of the MSME practice of other Development Finance Institutions (DFIs) highlighting the comparative advantages and competitiveness of each of these practices. The assessment will also propose practical criteria to identify the three segments of MSMEs consistent with African countries context.
3. The envisaged services to be provided under the assignment include: an assessment of the Bank’s existing portfolio of MSME programs, initiatives, and funds; a

benchmarking of other DFIs' MSME programs, activities and funds; an assessment of financial and non-financial instruments deployed by the Bank; an assessment of delivery channels (e.g. financial intermediaries, value chain approach), and the internal organization in place for implementation; an analysis of the underlying features that have made some MSME programs more successful than others; and practical recommendations for the Bank. An inception report will be submitted by the consulting firm addressing the requirements of this assignment. The following duties will be undertaken by the consulting firm:

- i) Conduct desk review and interviews with Bank staff working on the Bank's portfolio of MSME initiatives, programs and funds;
 - ii) Map and assess the Bank's outreach to MSMEs through its existing financial and non-financial instruments to identify what is working and existing challenges;
 - iii) Conduct desk review on DFIs' MSME initiatives, programs and funds as well as interviews with their staff;
 - iv) Compare the Bank approach to MSME development to other DFIs;
 - v) Identify best practices in targeting MSMEs;
 - vi) Propose practical recommendations and scenarios of deployments to improve the Bank's approach to MSMEs development. These should address:
 - a. What the Bank should focus on given its organizational setup, instruments and resources
 - b. How to improve its reach to MSMEs
 - c. How to improve impact of the Bank's operations on MSMEs' growth
 - d. How to improve internal coordination and effectiveness of operations
 - e. How to improve the Bank's reporting on results in telling a compelling narrative
 - vii) Any other duties necessary to provide a solid assessment and recommendations.
4. The Vice Presidency for Private Sector, Infrastructure and Industrialization (PIVP) now invites Consulting Firms to indicate their interest in providing the above-described services. Interested eligible Consulting Firms shall provide information on their qualifications and experience demonstrating their ability to provide the services (registration documents for the firm, experience in comparable assignments, references for similar services, availability of appropriately skilled staff, etc.). The Strategy and Operations Consulting Firm shall have expertise in the following areas:
- Strategic guidance to organizations;

- Operations' assessment to identify challenges and propose solutions;
 - Understanding of the African financial system;
 - Experience in corporate finance, particularly in MSME financing;
 - Understanding of and Experience working with financial intermediaries;
 - Experience in MSME development in the African context;
 - Experience in financial modeling or financial product design for MSMEs, as well as technical assistance;
 - Experience working with Development Finance Institutions (DFIs)/Multilateral development banks (MDBs);
 - Experience conducting a similar assessment or study for a DFI/MDB.
5. The eligibility criteria, the establishment of a short list and the selection procedure shall be in conformity with the Bank's "**Rules and Procedure for the Use of Consultants**". Please, note that interest expressed by a Consulting Firm does not imply any obligation on the part of the Bank to include it in the shortlist.
 6. The duration of the assignment shall be six (6) months. Commencement date is anticipated as February 10th, 2019.
 7. Interested Consulting Firms may obtain further information at the address below during the Bank's working hours: 09:00 to 17:00 hours.
 8. Expressions of interest must be received at the address below no later than 20th December, 2018 at 17:00 hours local (Abidjan) time and specifically mentioning ***Consultancy Services for "Assessment of AfDB's approach to supporting MSME Development"***.
 9. For the attention of: Mr. El Hadj Bah (E-mail: e.bah@afdb.org) and Ms. Jihane Hakimi (Email: j.hakimi@afdb.org), with copy to: Ms. Evelyne Houngue (E-mail: e.houngue@afdb.org)