REQUEST FOR EXPRESSIONS OF INTERESTS - FIRM

Consultancy Services for Project Identification and Preparation:
West Africa Regional Fasteners Market

Brief description of the Assignment: The African Development Bank’s Department of Regional Integration (RDRI) intends to recruit a Consultancy Firm to support in project identification and preparation in the Fasteners (Nuts, Bolts, Screws, etc) Value Chain across West Africa. This initiative is in line with the Bank’s newly approved West Africa Regional Integration Strategy 2020 - 2025, which prioritizes infrastructure development and supporting regional enterprise development. The Firm will work with the Bank’s task team to identify potential sponsors in the fasteners value chain, i.e. anchor firms within the region, and develop briefs for bankable projects to receive Bank support from the non-sovereign window. The project identification process should explore the ecosystem for fasteners in West Africa, including government policy, business environment, talent and skill, as well as strategies to attract FDI in the sector.

Place of assignment: Abidjan, Cote d’Ivoire
Duration of the assignment: 90 workdays, spread over 6 months
Tentative Date of commencement: 15 November 2020
Deadline for applications: September 22, 2020

The Consultant may consist of a single firm or a consortium of firms with the technical expertise required to deliver on the assignment of project preparation for West Africa’s Fasteners (nuts, bolts, and screws) industry. In the case of a consortium, the consortium members must jointly identify one of the firms comprising the consortium as the Lead Firm. The Lead Firm will have primary responsibility of liaising with the Bank and for managing the consortium’s activities as a whole.

Submission of Expressions of Interest (EOIs)
Prospective Consultants should submit their Expression of Interest detailing the following information as basis for pre-qualification:

- Profile of firm/consortium including ownership structure and role of each corporate entity with full contact details of each firm;
- CVs of key experts detailing direct experience in the Fasteners or Automotive industry (including technical competence);
  - Track record of successful project preparation leading to deals in West Africa;
  - Description of roles played in at least three (3) project development assignments, particularly in the Fasteners, Automotive or Construction industries and deals closed in emerging markets during the past seven (7) years (at least one of which should be in the past three (3) years and at least one in Africa);
- Copies of unabridged financial reports for the last 3yrs Experience working in West Africa, in bilingual settings – must show evidence of bilingual capabilities (have tracked experience in Francophone and Anglophone Countries). The Firm will be selected in accordance with the procedures set out in the African Development Bank’s “Rules and Procedures for the use of Consultants” July, 2012, which is available on the Bank’s website at http://www.afdb.org;
**Please Note:** Only the firm or consortia that scale through the EOI stage will be considered at the next stage – Technical and Financial Evaluation Stages.

Applications or requests for clarification are to be submitted by email to both b.soungalo@afdb.org and o.omoluabi@afdb.org.

**DETAILED TERMS OF REFERENCE:**

1. **Background/ Context**

The African Development Bank has identified Regional Integration as a core priority for Africa’s realization for inclusive and sustainable development. Africa today has 36 countries out of forty in the world with the youngest population. Likewise, over 800 million young people will be in the market for meaningful employment and job creation by 2050. Providing employment for Africa’s young population is therefore crucial for the continent’s development and growth, particularly in areas such as manufacturing and agriculture.

The industrial fastener is one of the emerging sectors that will allow African countries to capture greater opportunities of industrialization and creation of jobs. The global market for industrial fasteners has seen an increase in global demand with a Compound Average Growth Rate (CAGR) of 5.4% for the past six years. This provides opportunities for African countries to enter this market, especially the continuous increase in demand is expected from automobiles, infrastructure development, construction, and maintenance sectors will provide favorable environment for both regional and global markets. The Fasteners sector is likely to drive development of other sectors like housing construction and automotive with high potential of job creation. Yet for this to efficiently happen, African countries must create Regional Value Chains by identifying opportunities at the regional level, creating the supporting infrastructure and the right business environment, as well as, harmonizing rules and regulations.

As a result, the Bank’s Regional Integration Department (RDRI) commissioned a study in February 2019, to explore and analyze the market potential of developing a manufacturing base for fasteners (nuts, bolts, screws) in West Africa (specifically in Nigeria, Ghana, Cote d’Ivoire, Togo and Senegal). In line with the Bank’s High-5s, “Industrialize & Integrate Africa”, the goal of the initiative was to connect the regional supply chain by matching distributors with potential manufacturers while the government creates the favorable business and fiscal environment for successful deployment of the integrated value chain.

The study highlighted that the demand for fasteners already exists in West Africa, of which Nigeria is the largest importer (60% imports) and distributor in the region. Nigeria also currently serves as the port of entry for fasteners into the region (mostly importing from China and India). According to the study findings, Industrial fasteners demand in Nigeria is primarily driven by construction ($300M by 2026), machinery ($222M by 2026), fabricated metal products ($107M by 2026) and automotive ($71M by 2026). Therefore, based on the analysis, Nigeria can create a minimum of 14,000 jobs (direct and indirect) and reach up to 57,000 jobs by 2027 without accounting for the multiplier effect on sectors like transport and storage, accommodation, wholesale, other manufacturing subsector, etc. Therefore, entering the regional fasteners manufacturing industry could help develop better skillsets, new competencies, different approach to industrialization, create quality and sustainable employment, strengthen the supply chain and attract Foreign Direct Investment.

As a result of the identified market potential for fasteners in the region, one of the study’s recommendations is to pilot the development of the fasteners industry in West Africa in countries
with the greatest potential and interest, such as Nigeria, Cote d'Ivoire and Togo by creating the enabling environment and ecosystems for the fasteners value chain. The study also recommended that the Bank could provide upstream support to develop a bankable project to invest in down the line, i.e. sponsor identification, support for feasibility studies and eventually structuring and financing.

Therefore, the Regional Integration department (RDRI), in collaboration with the Regional Directorate for West Africa (RDGW) and Nigeria Country Department (RDNG) requires the services of a firm or a consortium of firms to support in project identification and preparation for the fasteners industry.

2. Objectives:

The focus of this assignment is to build on the work already carried out during the study, by identifying prospective fasteners manufacturers for Bank support through the Bank’s non-sovereign window. The Firm will carry out a deep dive of the sector in the selected countries and a roadmap to identify bankable opportunities and address key constraints to potential competitiveness (structural and sectoral reforms, access to raw material and Value Chain integration, power, Access to Finance and Human Capital). Specifically, the Consultant will identify potential anchor industries or manufacturers, looking to scale up production or serve as suppliers to the regional export market. Following the identification of potential non-sovereign operation(s) to support in the sector, the Consultant will assist in the preparation of a Preliminary Evaluation Note (PEN) which will form the basis for initial internal processing. The Consultant will aim to identify opportunities in the value chain with strong potential for employment creation.

3. Scope of the Consultancy

The Consultancy Firm will work with the Task team to identify areas of potential in the fasteners value chain, anchor firms within the region, and develop briefs for bankable projects. The project identification should have a specific focus on the ecosystem for fasteners in West Africa, including government policy, business environments, talent and skill, anchor industries and drivers in the region, as well as strategies to attract FDI in the sector.

The scope of the work shall include but not be limited to:

(a) Engagement with the Government Ministries responsible for Trade and Industrialization in the respective countries, Investment Promotion Agencies and other relevant agencies to define the framework and enabling environment for deploying fasteners manufacturing in the countries;

(b) Mapping of the supply chains in each of the countries (including shared services of raw material suppliers, processes, planning, logistics, managerial skillsets, etc.) and identification of vertical integration opportunities;

(c) Engagement with anchor industries such as automotive and construction on industry needs and quality requirements for locally produced fasteners;

(d) Identification of educational institutions (including vocational schools and training centers) in the region for skills development in manufacturing of fasteners;

(e) Preparation of Project brief and Preliminary Evaluation Note (PEN) for the selected non-sovereign project.

4. Duties and Responsibilities

Under the supervision of the Task manager and members of the project team, the Firm will:

1) Engage with relevant government agencies (including investment promotion agencies) to explore existing frameworks for the standardization of fasteners production in the region
2) Identify project sponsor or sponsors and prepare a comprehensive project Preliminary Evaluation Note (PEN) for the selected non-sovereign project, which will have regional reach.

3) Liaise with the necessary officers in the Bank including country offices.

4) Any other work related to the assignment as delegated by the task manager.

5. **Key Qualifications of the Lead Consultant**

The Lead Consultant of the Firm must show evidence of the following qualifications and skills:

1) Advanced Degree in Business management, engineering, economics or related discipline;
2) Minimum of 15 years work experience in supply chain management, value chain management, preferably in the fasteners or automotive industry;
3) Practical experience in project development and project finance in developing countries;
4) Excellent English writing skills; with ability to communicate in both English and French;
5) Be a national of one of the member countries of the Bank

6. **Consultations and Reporting**

In performing its duties and responsibilities under the contract, the Consultancy Firm shall regularly consult and interact with the department for Regional Integration (RDRI) and the Division of Job for Youth in Africa under the Human Capital Department. The Firm will work closely with other relevant departments of the Bank, which would be introduced by RDRI and the stakeholders. The Consultant shall prepare and submit to the Bank for review and comments, and provide frequent updates, on the progress made on deliverables. The Consultant shall also submit a general monthly report.

7. **Language**

All the deliverables shall be written in English language. However, given the scope of activities across the West Africa region, some communication will be expected in French - both verbally and written.

8. **Duration of Assignment**

The consultancy assignment shall be over a period of 90 days, spread over 6 months, commencing November 15, and terminating on May 15, 2021. However, the start date will require some flexibility due to any delays resulting from the COVID-19 pandemic.

9. **Schedule of Deliverables**

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Content/ Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Engagement with Government and Private sector</td>
<td>Proposal of the detailed methodology and output, which should not exceed five (5) pages</td>
</tr>
<tr>
<td>Engagement with anchor industries such as automotive and construction on industry needs and quality requirements for locally produced fasteners</td>
<td>Report detailing status and needs of each of the anchor industries identified in the respective countries</td>
</tr>
<tr>
<td>Project briefs prepared</td>
<td>Submission of project briefs for identified project ideas in the region</td>
</tr>
<tr>
<td>Draft Preliminary Evaluation Note (PEN)</td>
<td>Preparation of draft PEN for the selected non-sovereign operation based. The selected project must support the regional value chain and provide opportunities for job creation</td>
</tr>
<tr>
<td>Finalization of PEN</td>
<td>Final PEN submitted</td>
</tr>
</tbody>
</table>