AFRICAN DEVELOPMENT BANK GROUP

REQUEST FOR EXPRESSIONS OF INTEREST

1. The African Development Bank hereby invites Individual Consultants to indicate their interest in the following assignment: Support to Investment and Value Chain Development for Regional Integration.

2. The external consultant will work closely with the Vice President, Regional Development Integration and Business Delivery to serve as an ongoing advisor on matters essential for (a) investment into African infrastructure projects, (b) cross-border commodity value development, linked to domestic economic strategy to promote increased value-added, (c) possible reforms that could be undertaken by the Government of Zimbabwe, and (d) thought pieces needed to clarify approaches to initiatives described in the attached Terms of Reference.

3. Interested Consultants shall provide information on their qualifications and experience demonstrating their ability to undertake this Assignment (documents, reference to similar services, experience in similar assignments, etc.).


5. The estimated duration of services is 200 days and the estimated starting date is beginning of February 2020.

6. Interested Individual Consultants may obtain further information at the address below during the Bank’s working hours: from 8:00 am to 5:00 pm local (Abidjan) time.

7. Expressions of interest must be received at the address below no later than 21 January 2020 at 17.00 Abidjan time and specifically mentioning Support to Investment and Value Chain Development for Regional Integration.

For the attention of: Office of the Vice President, Regional Development, Integration and Business Delivery Complex (RDVP)
African Development Bank, CCIA Building Room 20D
Rue Joseph Anoma Plateau, 01BP 1387 Abidjan-Côte d’Ivoire
Contact persons: Mr. Frederik Teufel (f.teufel@afdb.org) / Ms. Samia Tagougui (s.tagougui@afdb.org)

ESTABLISHMENT OF THE SHORT LIST

8. A shortlist of three to six individual consultants will be established at the end of the request of expressions of interest. The consultants on the shortlist will be judged on the following criteria on the basis of their updated resume.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of education in general</td>
<td>20%</td>
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<tr>
<td>Educational level compared to the field of mission</td>
<td>20%</td>
</tr>
<tr>
<td>Years of experience in general</td>
<td>20%</td>
</tr>
<tr>
<td>Number of years of experience relevant to the mission</td>
<td>40%</td>
</tr>
</tbody>
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Terms of Reference for
Support to Investment and Value Chain Development for Regional Integration

1.0 BACKGROUND, STRATEGIC RATIONALE & OBJECTIVES

1.1 BACKGROUND

For decades since its founding, the African Development Bank (AfDB) has supported regional integration as a basis for promoting economic development, job creation and wealth creation in Africa. This objective and plan for achievement was updated most recently with adoption of the Regional Integration Strategic Framework (RISF), 2018-2025, which integrates the major activities of the Bank in agriculture, power generation, infrastructure development and industrialization, and regional integration into a comprehensive framework intended to enhance the quality of life for all Africans. This is reinforced by the African Union’s support for development of an African Continental Free Trade Area (AfCFTA). These Terms of Reference (TORs) spell out the requirements for designing a strategy for the Bank to play a lead advisory role to the African Union and supporting entities in developing a value chain “hub” to assist with movement in the direction of more integrated cross-border economies characterized by higher value-added, increased intra-African trade and investment, and a greater economic multiplier resulting from this integration.

1.2 STRATEGIC RATIONALE

The Bank’s intervention to support regional value chain development (RVCD) is guided by the Bank’s regional integration strategy, and the overarching objective of the African Union to establish the AfCFTA as a major trade bloc later in the century that benefits the continent far more than traditional economic models dating back to the prior century.

One of the main pillars of strategy is to establish examples of success around areas of existing or potential comparative advantage to demonstrate the power of such integration for upstream and downstream activities based on successful cross-border integration and coordination of trade and investment in commodity-based activities. The key focus is to leverage these areas of comparative advantage by harnessing higher levels of value-added within the broader African market to establish a new paradigm in Africa for economic development. Heretofore, much of the model has been based on extraction and export, with limited value-added generated in Africa, thereby limiting the multiplier effect in terms of economic benefits and additional development in industrial and services sectors. Future models of development would be expected to benefit from an enhanced trade and investment climate within Africa that encourages Africa-domiciled businesses to increase their investment in agriculture, power generation, transportation, commodity development, food processing and related industrial plant and equipment, warehousing and distribution, ICT, financing and support services including data analytics and other specialized applications.

With adoption of the Bank’s RISF, 2018-2025, support for a common economic area for Africa, embodied in the AfCFTA, is an overarching objective. This objective is supported by a three-pillar approach that works to promote greater infrastructure connectivity, rising levels of trade and investment, and financial sector integration and development. Direct investment among African countries is a key priority, as it provides resource flows and capacity development across all supported activities. All of these components are expected to be leveraged and integrated around selected commodity-based value chains. The outcome is expected to be a demonstration effect of modernization and efficiency based on the new economic development model focused on rising value-added, increased integration, and a vastly increased economic multiplier that propels greater growth.
and development to generate economic and social benefits for African-domiciled companies, government, communities, households and employees.

1.3 OBJECTIVES

The objective of this exercise is fourfold:

- To develop a pilot test that will involve working with trusted intermediaries to serve as channels to attract investment funds for long-term capital projects focused on infrastructure that will help promote Bank goals and objectives focused on regional integration;
- To provide a basic scope for Bank advisory services to the RVCD hub in Accra, Ghana for its planned support for commodity-based value chain development in Africa, as well as to support Ghana’s efforts to promote fiscal decentralization, private sector development and higher value-added production;
- To provide advisory services to the Government of Zimbabwe on economic policy reforms and institutional governance and capacity-building should that Government be inclined to move in the direction of reforms suggested by the Bank’s multilateral partners in the international community; and
- Conduct additional research and prepare thought pieces on initiatives that could serve as new or novel approaches to regional integration in Africa as the AfCFTA takes hold.

2.0 SCOPE OF WORK

This particular Scope of Work is presented in two parts. The first part relates to the core work focused on RVCD, which represents most of the projected usage of days under the contract. The second part relates to the complementary research described above on (a) SWFs and their potential role in increasing investment into Africa, and (b) the potential risk of sanctions and their effects on Bank support for regional value chains.

- **Part 1:** Investment Intermediation and Funding would focus on:
  - Developing a profile of investment projects that would potentially be attractive for investment vehicles, most specifically for Sovereign Wealth Funds (SWFs) that share common regional interests and would benefit from an exchange of capital investment in support of longer-term trade and development objectives;
  - Developing a concept and pilot an approach to leverage SWFs and other investment funds from the EU, the Middle East, Africa and other regions to serve as a conduit for capital providers;
  - Helping to construct a list of qualified providers of technical services to assist with development of a roster of firms active in African markets to implement infrastructure investment plans along the lines of specialized PPP projects, including all legal and regulatory requirements as well as the technical project management, construction and operations/maintenance requirements that come from such ventures;
  - Helping to advance this concept as part of a larger Bank effort to attract capital providers and to increase the prominence of the Africa Investment Forum, most specifically SWFs and other funds seeking to invest in higher-yield markets that include capital-intensive infrastructure ventures in Africa.

- **Part 2:** Regional Value Chain Development (RVCD) would focus on:
  - Determining commodity-based value chains to support (based on Feed Africa) with criteria and a methodology for selection;
  - Establishing an organizing committee to coordinate the selected commodity-based value chain activities, with one person per HIGH FIVE to be the point person for coordination on technical, data and operational requirements;
Helping to draft and consolidate project plans for the Bank to support RVCD based on the selected commodity-based value chains, which will include (but not be restricted to):

- Agricultural input and production requirements to ensure adequate volume of commodity output to make value chain development scalable, feasible and profitable;
- Transport infrastructure requirements to ensure primary materials can be distributed to required processing plants for value added;
- Power generation requirements to ensure commodity output can be processed for needed value added;
- Manufacturing requirements to ensure output can be processed;
- Treatment and storage requirements to ensure manufactured output will remain high quality and commercially viable, thereby requiring commercial drying, refrigeration, etc.;
- Warehousing requirements, to ensure the above conditions are met and are sufficient to target timing of sales based on optimal pricing strategies (when feasible);
- ICT requirements to ensure relevant data and information are shared through all stages of production, processing and distribution;
- Financing requirements, to ensure adequate amounts of financing are made available and matched with the timing requirements of the various stages of production, processing and distribution (e.g., long-term investment capital for property, plant and equipment; working capital; inventory financing and sales);
- Operational issues, such as staffing, data and information system needs; and
- Performance metrics, to set targets for performance that are consistent with Bank objectives, and also achieve possible financial targets as a basis for offering incentives to private investors for long-term capital needs.

Providing support to the Bank on an as-needed basis for potential initiatives in Ghana, involving fiscal decentralization and private sector development, including methods by which Ghana can stimulate greater value-added production to reduce its dependence on commodity exports.

**Part 3:** Advisory Services to the Government of Zimbabwe would focus on:

- Policy advice on economic reforms that could be undertaken by the Government should it be inclined to move towards market-based reforms, and with support from the Bank’s partners in the multilateral community;
- Other possible serves to be determined on an as-needed basis, depending on decisions made by the Government of Zimbabwe.

**Part 4:** The research carried out in above areas would also serve to prepare advocacy and thought pieces that would support the initiatives. Potential areas of focus could be on:

- Investment Intermediaries and Regional Integration with AfCFTA:
  - The potential to have intermediaries attract funds from SWFs with the intention of some of the investment proceeds flow to commodity-based value chain operations with long-term pay-out plans based on net present value and rates of return for investors that would bind the commodity operations; and
  - The risk to these and other operations that global political tensions could culminate in sanctions on individuals, companies and countries involved in value chain development, making it essential that approved participants in
Bank-supported operations meet various approval criteria as a function of project management and governance by the Bank;

- Ghana and Next-Stage Policy Reforms:
  - Developing principles and criteria by which fiscal decentralization would be designed and conceptualized, as well as determining resource, institutional and technical gaps at the provincial level to move forward without disrupting capacity of the public sector to deliver needed goods and services;
  - Establishing a program of additional reforms to ensure a robust private sector would be in a position to meet the tax revenue requirements of provinces under a regime of fiscal decentralization;
  - Identification of areas and economic activities where Ghana could advance primary and secondary sector capacity to increase value-added production and processing in Ghana, including needed requirements from the business community to meet these objectives;

- Zimbabwe Reform Agenda:
  - Developing a program of policy, governance and institutional reforms in the financial and real sector that could ultimately restore Zimbabwe’s place in Africa as a productive source of food production and exports, and develop other industrial capacity to enable Zimbabwe and its people to benefit from regional integration and wealth creation.

Based on the above, the person hired for this assignment would work with AfDB staff to draft a work plan to implement the above. As some of these initiatives are still to be determined, this will require some flexibility on the part of the person selected for this position.

3.0 SELECTION CRITERIA

- PhD or at least Master's degree in a relevant field such as business, finance, economics or related field.
- Minimum of twelve years of relevant work experience, and preferably more with exposure to policy, financial sector and enterprise management skills.
- Minimum five years of relevant work experience in Africa, preferably with direct work experience in Ghana and West Africa as well as familiarity with regional integration activities across the continent.
- Experience working in structural adjustment, policy reform in the financial sector as well as in private sector development, familiarity with resource-based (primary sector) activity, knowledgeable of the Bank’s Regional Integration Strategy, financial modelling or structuring, and financial sector development with specific expertise in enterprise and financial risk management and guarantee/insurance funds.
- Excellent understanding of trade and investment as a means for regional integration, including models of investment funds and/or Export Credit Agencies and the roles they play in promoting regional and global trade and investment.
- Highly developed analytical, problem-solving and research skills, with a proven track record that demonstrates the ability to work with large amounts of data.
- Ability to conceptualize, innovate, plan, project-manage, and execute complex ideas, as well as to impart knowledge and work with colleagues.
- Demonstrated ability to work in a multi-cultural environment and across teams, and establish harmonious and effective working relationships both within and outside the organization.
- Demonstrated strength/fluency in English or oral and written communications, including ability to draft finance documents and to articulate ideas verbally in a clear and compelling way to audiences of varied levels.
COMPETENCIES
- **Deliver Results for Clients**: Achieves results and identifies mission-driven solutions for the client.
- **Innovate**: Develops innovative solutions with others.
- **Collaborate within Teams and Across Boundaries**: Initiates collaboration across boundaries and broadly across the organization.
- **Create, Apply and Share Knowledge**: Creates, applies and shares knowledge from across and outside RDVP complex to strengthen internal and/or external client solutions.
- **Financial Risk Analysis & Modelling**: Develop new or edit existing financial models to value different organizational initiatives. Understands and can utilize modelling and forecasting techniques based on projected values for infrastructure investments.

4.0 DELIVERABLES AND TIMETABLE

4.1 DELIVERABLES

AfDB is seeking an external consultant to work closely with the Vice President, Regional Development Integration and Business Delivery to serve as an ongoing advisor on matters essential for (a) investment into African infrastructure projects, (b) cross-border commodity value development, linked to domestic economic strategy to promote increased value-added, (c) possible reforms that could be undertaken by the Government of Zimbabwe, and (d) thought pieces needed to clarify approaches to initiatives described above. The contract is envisaged for a full year and to require 200 days. As specific outputs are still to be determined, the table below is provisional, but intended to provide guidance on the work that would be expected:

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>AfDB Tasks</th>
<th>Consultant Tasks</th>
<th>Dates</th>
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<tbody>
<tr>
<td><strong>Output 1</strong>: Outline of Institutional Structure for Investment Flows into Africa</td>
<td>Liaise with consultant to establish a summary of project profiles that could be the target of investment</td>
<td>Work with AfDB and interested regional and non-regional countries to provide guidance from the demand-side for their supply-side proposals</td>
<td>1Q-2Q 2020: short note on how SWF resources can be mapped to investment projects in Africa</td>
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<td>Communicate key principles, guidelines and requirements of the Bank for any collaboration with entities engaged in funds mobilization</td>
<td>Ensure linkage of the potential pilot to Compact with Africa and other Bank-supported initiatives, including the AIF</td>
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<td></td>
<td>Coordinate with AfDB and interested regional and non-regional countries to provide guidance from the demand-side for their supply-side proposals</td>
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<td><strong>Output 2</strong>: Identification of Initiatives for Regional Integration Hub in Ghana</td>
<td>Decide on criteria for selection of commodity-based value chains</td>
<td>Coordinate with AfDB High 5 “leaders”</td>
<td>1Q 2020: Draft Scoping Report for hub development</td>
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<td>Appoint “leaders” from each of the five High 5 areas to serve as the internal lead for their respective areas and to liaise with the Consultant</td>
<td>Prepare draft criteria for commodity value chain selection</td>
<td>2Q 2020: prepare high-level plan with next steps</td>
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<td>Prepare draft report on commodity value chains and ways to proceed</td>
<td>3Q-4Q 2020: TBD based on above</td>
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Output 3: Government of Zimbabwe

- Liaise with Government of Zimbabwe to determine appetite for economic reform
- Liaise with Consultant to offer complementary research and notes to assist with above
- Provide advisory services to encourage meaningful reform initiatives acceptable to the Bank’s multilateral partners
- 1Q-4Q 2020: TBD

Output 4: Notes and Thought Pieces

- Liaise with Consultant to provide regular and updated information as required in relation to the initiatives above
- Provide complementary research pieces on the initiatives above
- 1Q-4Q 2020 (based on AfDB preference re timing)

5.0 REPORTING AND METHODS OF WORK

Method of work: The consultant is primarily a home-based assignment, but expected to undertake missions to concerned countries as needed in order to achieve the objectives of this consultancy.

Reporting: The consultant formally reports to the Vice President, Regional Development Integration and Business Delivery.

Timing of the assignment: The duration of the assignment is for 200 working days and is planned to start at the beginning of February 2020. In accordance with AfDB guidelines, travel time is not considered billable working time.