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TERM OF REFERENCE (ToR) FOR THE RECRUITMENT OF INDIVIDUAL CONSULTANT (IC)

GENERAL INFORMATION

Services/Work Description: Senior Consultant for a study on Impact Investment in Africa
Project/Program Title: UNDP AFIM
Post Title: International Consultant
Duty Station: Home based plus selective travel
Duration: Approximately 40 working days
Expected Start Date: 18 August 2014

I. BACKGROUND / PROJECT DESCRIPTION

In line with its Private Sector Strategy, UNDP is becoming increasingly well positioned to support innovative approaches of inclusive market development (IMD) engaging the private sector and other stakeholders to improve opportunities for the poor to participate in markets as producers, employees or consumers.

With Africa being a major focus of UNDP's work, a strategic, regional Private Sector and Inclusive Market Development for Poverty Reduction in Africa project, the "African Facility for Inclusive Markets" (AFIM), commenced in November 2010. This project is led by the Regional Bureau for Africa (RBA) and coordinated from UNDP's Regional Service Center for Africa in Addis Ababa, Ethiopia.

AFIM's four main outputs are:

1. Increased capacity of regional organizations, governments, and other stakeholders to support inclusive market development in the region;
2. Inclusive market development initiatives at sub-regional and country levels developed and supported
3. Alliance of partners for African inclusive market development established
4. Improved access to finance for small producers and enterprises facilitated

This project is demand-driven and aims to complement and support implementation of existing and emerging UNDP private sector country projects as well as support the development and implementation of new sub-regional and country initiatives.

AFIM is in full alignment with UNDP's new Strategic Plan and new Regional Programme for Africa as its primary aim is to support poverty reduction, inclusive growth and sustainable development. AFIM includes capacity development for evidence-based policy dialogue and advocacy and institutional strengthening for the expansion of a vibrant indigenous private sector in Africa through initiatives that involve public and private stakeholders at regional and national levels.

More can found at www.undp.org/africa/privatesector.

One of AFIM's objectives (matching to Output 4 above) is to "Develop access to finance for Micro, Small and Medium enterprises (MSMEs)". AFIM has been doing this through the following:

1. Produced a field guide on **inclusive business finance**, to look into solutions that overcome bottlenecks of access to finance for Micro, Small and Medium enterprises (MSMEs)
2. Produced a **Wikipedia article on Inclusive Business Finance** in order to introduce the topic of Inclusive Business Finance to all.
3. Made some concrete recommendations on how to advance inclusive business finance as part of the Flagship report "**Realizing Africa's Wealth - Building Inclusive Businesses for Shared Prosperity**" which contains the new Inclusive Business Support Ecosystem Diamond framework.
4. Developed and launched the "**The African Women and Youth Finance Directory**" at the 3rd International Women Empowerment Entrepreneurship (SMEs) Summit in Cairo in April 2014, supporting women and youth entrepreneurship and empowerment through access to finance.

Currently, AFIM would like to contribute to advancing other key recommendations made in the report "Realizing Africa's Wealth – Building Inclusive Businesses for Shared Prosperity" to support the development of **Finance vehicles** for inclusive businesses entrepreneurs. In particular it would like to contribute to the **development of the impact investment sector and markets in Africa** through a knowledge product on the topic. This knowledge is to be featured during a special panel at the AU Private Sector Forum 2014 planned for 25-27 November in Mauritius.

Defining Impact Investment¹

A range of views exist on what characterizes an enterprise as an impact investment or an investor as an impact investor. According to the Global Impact Investment Network (GIIN), impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN states that the growing impact investment market provides capital to support solutions to the world's most pressing challenges in sectors such as sustainable agriculture, affordable housing, affordable and accessible healthcare, clean technology, and financial services.

The practice of impact investing is further defined by the following four core characteristics:

- *Intentionality* – The intent of the investor to generate social and/or environmental impact through investments.
- *Investment with return expectations* – Impact investments are expected to generate a financial return on capital and, at a minimum, a return of capital
- *Range of return expectations and asset classes* – Impact investments generate returns that range from below market (sometimes called concessionary) to risk-adjusted market rate
- *Impact measurement* – A hallmark of impact investing is the commitment of the investor to measure and report the social and environmental performance and progress of underlying investments. Impact measurement helps ensure transparency and accountability, and is essential to informing the practice of impact investing and building the field.

II. SCOPE OF THE WORK, TASKS/RESPONSIBILITIES OF THE CONSULTANT, PROPOSED METHODOLOGY

AFIM requires an international individual consultant to carry-out a study on Impact Investment in Africa. The study should:

¹ Source: <http://www.thegiin.org/cgi-bin/iowa/resources/about/index.html>

1. Take stock of the current sector and market for Impact Investment in Africa (demand and supply) as well as its trends over time (taking into account the work of the GIIN, UNCTAD and others)
2. Identify the key constraints hindering the development of the Impact Investment sector in Africa as well as solutions.
3. Assess and quantify the quantum of impact funds available (from within Africa) and particularly targeted to Africa businesses.
4. Identify and showcase key success stories in Impact Investment in Africa, list relevant funds as well as key lessons learnt including from other parts of the world. Special attention to be given to the support of the government in creating a favourable enabling framework and incentives for impact investment.
5. Propose recommendations for developing the Impact Investment market in Africa, directed at various stakeholders including policy makers, financial sector actors (including DFIs), companies and entrepreneurs, foundations, other intermediaries and development partners. The development of professional careers and networks for impact investment sector in Africa should be considered.

The consultant will work closely with the UNDP RSCA in Addis Ababa. S/he will be under the supervision of the AFIM Project Manager, collaborate closely with AFIM staff, and be responsible for the following **tasks**:

1. Inception/briefing and preparatory work leading to a detailed inception report and a proposed report Table of Contents (by 25 August 2014)

Virtual discussion with AFIM Team to get briefed on the work and get all the relevant background material. Review the background material and prepare a detailed inception report and propose the report Table of Contents

2. Draft report and draft proposal for the graphic design (by September 30, 2014)

3. Deliver final edited draft report (by October 20, 2014)

4. Deliver final edited and graphic designed report (by November 3, 2014)

The consultant will be responsible to hire a professional editor and graphic designer to obtain the final product, ready for printing.

5. Power Point presentation of the report (by November 3, 2014)

6. Provide support to the Impact Investment panel and backstopping at the AU Private Sector Forum 2014 (25-27 November 2014 TBC). If required, the consultant may be asked to make the presentation at the panel

7. Final assignment report and recommendations (by December 3, 2014)

The consultant will be responsible to develop and propose his/her own methodology to carry out the tasks described above. However this should also include:

1. Consultation with UNDP AFIM
2. Researching and reviewing data sources, publications, networks etc. especially on Impact Investment in Africa. This should include documents produced by development partners' projects on the topic.
3. Key informant interviews of key stakeholders from the public and private sector related to Impact Investment in Africa.

III. EXPECTED OUTPUTS AND DELIVERABLES

The following are the expected deliverables:

1. Inception report and report Table of Contents (by 25 August 2014)
2. Draft report and draft proposal for the graphic design (by September 30, 2014)
3. Final edited draft report (by October 20, 2014)
4. Final edited and graphic designed report (by November 3, 2014)
5. A power point presentation summarizing the report findings (by November 3, 2014)
6. Support to the Impact Investment panel and backstopping at the AU Private Sector Forum 2014 (25-27 November 2014 TBC).
7. Final assignment report and recommendations (by December 3, 2014)

No.	Deliverables	Location and Action to be Undertaken	Duration (approximate)	Review and Approvals required
1	Inception report and report Table of Contents (by 25 August 2014)	Inception meeting in Addis-Ababa and Home-based	4 working days	AFIM Project Manager
2	Draft report and draft proposal for the graphic design (by September 30, 2014)	Home-based	25 working days	AFIM Project Manager
3	Final edited draft report (by October 20, 2014)	Home-based	3 working days	AFIM Project Manager
4	Final edited and graphic designed report (by November 3, 2014)	Home-based	4 working days	AFIM Project Manager
5	A power point presentation summarizing the report findings (by November 3, 2014)	Home-based	1 working day	AFIM Project Manager
6	Support to the Impact Investment panel and backstopping at the AU Private Sector Forum 2014 (25-27 November 2014 TBC).	Mauritius (TBC)	2 working days	AFIM Project Manager
7.	Final assignment report and recommendations	Home-based	1 working day	AFIM Project Manager

IV. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

The consultant will be under the supervision of the AFIM Project Manager and collaborate closely with AFIM staff. S/he will participate in weekly briefing calls with AFIM.

V. DURATION OF THE WORK

The work is expected to need approximately 40 working days, over September to November 28, 2014.

VI. QUALIFICATIONS OF THE SUCCESSFUL INDIVIDUAL CONTRACTOR (IC)

ACADEMIC QUALIFICATION:

- At least Masters Degree in international development, economics, business, finance and consulting related to private sector development or related field.

WORK EXPERIENCE:

- A minimum of ten years of progressive experience related to private sector development. Specific experience in supporting the private sector including inclusive businesses to access finance, either through development partners' project or on the private sector side is an asset.
- Knowledge of the impact investment sector/finance vehicles for inclusive business.
- Proven experience in developing knowledge products and writing reports and experience in publications
- Experience of inclusive business models to engage private sector companies in projects that contribute to the MDGs and poverty reduction.
- Hands on work experience in fields related to the assignment in developing countries in general, and Africa in particular is an asset.

COMPETENCIES:

Technical Competencies:

- Knowledge of private sector and pro-poor market development, in particular of the impact investment sector and market
- Knowledge of regional private sector companies and financial institutions, particularly those involved in impact investment in Africa
- Strong analytical aptitude, communication and presentation skills
- Outstanding communication skills in English

Personal Competencies:

- Demonstrates integrity by modelling the UN's values and ethical standards
- Strong project management skills
- Positive, constructive attitude and approaches work with energy
- Demonstrates openness to change and ability to receive / integrate feedback
- Good networking skills to engage with both internal and external partners

LANGUAGE AND OTHER SKILLS:

- Excellent knowledge of English, including the ability to write reports clearly and concisely, and to set out a coherent argument in presentations and group interactions;
- Capacity to communicate with different stakeholders (civil society, government authorities, local communities, DFIs and Investment funds, project staff); and
- Computer skills: Full command of Microsoft applications (word, excel, PowerPoint) and common internet applications will be required.

Important Note:

The Consultant is required to have the following professional and technical qualifications. **Only the applicants who hold these qualifications** will be shortlisted and contacted.

VII. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the Procurement Notice, qualified Individual Consultant is expected to submit both the Technical and Financial Proposals. Accordingly; Individual Consultants will be evaluated based on Cumulative Analysis as per the following scenario:

- Responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
 - a. Technical Criteria weight is **70%**
 - b. Financial Criteria weight is **30%**

Criteria:	Weight	Max. Point
Technical Competence (based on CV, Proposal and interview (if required))	70%	100
1. Minimum educational background as described above		10
2. Past experience in Impact Investment/vehicles for inclusive business finance		40
3. Knowledge and understanding the Scope of Work and Methodology (from the written technical proposal)		30
4. Technical Competencies		15
5. Language and other skills		5
Financial (Lower Offer / Offer*100)	30%	30
Total Score	Technical Score * 70% + Financial Score * 30%	

VIII. PAYMENT MILESTONES AND AUTHORITY

The prospective consultant will indicate the cost of services for each deliverable in US dollars when applying for this consultancy. The consultant will be paid based on the effective UN exchange rate (where applicable), and only after approving authority confirms the successful completion of each deliverable as stipulated hereunder. In accordance with UNDP rules, the lump sum contract amount to be offered should consider the professional fee inclusive of travel, living allowances, communications, out of pocket expenses, and other ancillary costs.

The qualified consultant shall receive his/her lump sum service fees upon certification of the completed tasks satisfactorily, as per the following payment schedule:

Instalment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1 st Instalment	Inception report and report Table of Contents	Tomas Sales	20%
2 nd Instalment	Draft report and draft proposal for the graphic design	Tomas Sales	50%
3 rd instalment	Final edited and graphic designed report, power point presentation summarizing the report findings and Final assignment report and recommendations	Tomas Sales	30%

IX. RECOMMENDED PRESENTATION OF PROPOSAL

For purposes of generating proposals whose contents are uniformly presented and to facilitate their comparative review, you are hereby given a template of the Table of Content. Accordingly, your Technical Proposal document must have at least the following preferred content and shall follow its respective format/sequencing as follows.

Proposed Table of Contents	Page
TECHNICAL PROPOSAL COVER PAGES	
Cover Page (use the template hereto)	
Cover Letter (use the template hereto)	
Statement of Declaration (use the template hereto)	
SECTION I. TECHNICAL PROPOSAL SUBMISSION FORM	
1.1 Letter of Motivation	
1.2 Proposed Methodology	
1.3 Past Experience in Similar Consultancy and/or Projects	
1.3.1 List of publications (if any)	
1.4 Implementation Timelines	
1.5 List of Personal Referees	
1.6 Bank Reference	
SECTION II. ANNEXES	
Duly Signed Offeror's Letter to UNDP Confirming Interest and Availability (use the template hereto)	
Duly Signed P11 Form	
Duly Signed Consultant's CV	
Documentation Checklist (please refer to the checklist attached hereto)	

X. CONFIDENTIALITY AND PROPRIETARY INTERESTS

The Individual Consultant shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy service without prior written consent. Proprietary interests on all materials and documents prepared by the consultants under the assignment shall become and remain properties of UNDP.