



MINISTERUL AGRICULTURII ȘI
INDUSTRIEI ALIMENTARE
AL REPUBLICII MOLDOVA

MINISTRY OF AGRICULTURE AND
FOOD INDUSTRY OF THE
REPUBLIC OF MOLDOVA

UNITATEA CONSOLIDATĂ PENTRU IMPLEMENTAREA PROGRAMELOR IFAD
THE CONSOLIDATED UNIT FOR THE IMPLEMENTATION OF IFAD PROGRAMMES



Investing in rural people

Source: RFSADP – (IFAD V)

AWPB ref. 2015	A 3.6
Component:	II
Category:	IV
Loan/Grant	IFAD Grant

Terms of Reference:

National consultant on Guarantee Fund for Agricultural loans (GFAL) Scoping and Interim Design Study

The Rural Financial Services and Agribusiness Development Project (RFSADP), financed by the International Fund for Agriculture Development and implemented by Consolidated IFAD Program Implementation Unit, is designed to contribute to reducing rural income poverty in Moldova, through promoting access to a full range of appropriate and mainstreamed financial services, with a particular emphasis on products that support the development of sustainably improved incomes for the most vulnerable and poorest groups in rural areas.

Background

GoM in consultations with producer groups and financial institutions has identified producer constraints in accessing funds for investments in agriculture and developed the Activity Plan for elimination of these constraints. One of the main constraints for Small and Medium Enterprises (SMEs) it is considered lack of own capital to finance expansion of their agricultural activities.

The lack of equity has two negative effects: one is that it often leads to too high loan gearings, which often make the investments rather risky. Another is that a high loan gearing requires a high degree of collateral, which the SMEs may not be able to provide.

GoM sees creation in 2015 of a Guarantee Fund for Agriculture Loans (GFAL) as a priority solution in accessing funds for investments by agriculture entities.

In this terms the Ministry of Agriculture and Food Industry has submitted a request (#06-4-288 dated 08.09.2014) to CPIU-IFAD in providing support in hiring a national consultant for commissioning an initial Scoping and Interim Design Study of the Guarantee Fund for Agriculture Loans

Tasks of the assignment

National consultant will undertake the **following tasks**:

- Provide a detailed qualitative and quantitative assessment of the need for such a fund in the Republic of Moldova. It would describe the constraints faced by rural SMEs in attempting to raise finance to further develop after their successful launch. The study would attempt to quantify the financial resources needed for continued development of rural SMEs, and relate these needs to the current availability of finance for development. This would include an assessment of current availability from local and international banks, leasing companies, guarantee funds, remittances and retained earnings. The service provider will conduct consultations with all stakeholders on the draft ex-ante policy analysis on the theme “Identification of a viable mechanism for accessing loans offered by

development partners”. It will analyze efficiency and constraints of existing similar Guarantee funds in Moldova.

- Determine the relevance of developing of a Guarantee Fund to overcome the obstacles faced by small holders and SMEs in accessing of local fund from Financing Institutions.
- Investigate the legislative framework under which such a fund could operate, and, if required, any need for further legislation development. Specifically, to enquire into the legislation under which guarantee funds are currently used, and whether or not this legislation would be suitable for the proposed GFAL. If there were a need for further legislation, then the requirements would need to be defined.
- Identify the possible or likely owners/members of such a fund. This work would likely entail the preparation of presentations and direct engagement with prospective investors. The study would identify the sources and scale of likely funding, both initially and over time.
- Develop an outline of the modus operandi of the GFAL, including the statutes. This document would guide the operation of the fund, structure, budgets, conditions of operations, conditions of accessing such funds, ensure that it stays within prudent limits, reduce the risks for unprofessional and unethical behavior, and generally provide information for the staff in discharging their duties.
- Prepare an initial draft business plan for the GFAL, including its staffing and staff development requirements and its cost of establishment and initial operation.
- Deliver one training session/presentation on facilities of the proposed GFAL.

Deliverables and timeframe

The timeframe for this assignment is tentatively May-June 2015, but not more than 40 working days. Performing the mentioned above activities, the consultant will be responsible for the following deliverables:

- Final report on the undertaken assignment,
- Business plan (draft) for the GFAL, including its staffing and staff development requirements, cost of establishment and initial operation, the sources, scale of funding and likely owners/members of the fund,
- Statute, outline and operational manual, including the activities which would lead to establishment of the GFAL.
- Final ex-ante policy analysis on the theme “Identification of a viable mechanism for accessing loans offered by development partners”.

The final Scoping and Interim Design Study would be presented to CPIU-IFAD - by 15th of May. 2015.

Eligibility criteria

- Holds diploma of high education in finance, banking, or economics.
- Have at least 10 years experience in providing specialized professional services in the field of financing, banking, or economics.
- Have at least three years experience, for the last five years, in development or management of Guarantee, Equity or Investment funds.

Evaluation criteria

- Practical Experience (in years) in the field of financing, banking, or economics (10 points).
- Experience (in years) in development or management of Guarantee, Equity or Investment funds (20 points).
- Experience (in years) in development or management of Credit/Banking Guarantee Funds (20 points).
- Experience(in years) in development or management of Guarantee Fund, Equity or Investment funds in the agriculture sector(20 points);
- Number of studies in the field of Guarantee, Equity or Investment funds developed in the last five years in Moldova (10 points).
- Meeting the requirements of timeframe of this assignment not more than 40 working days (20 points).

General requirements for qualification

- Good command of spoken and written in English;
- Resident of Republic of Moldova;

OFFER CONTENT

Interested consulting companies should submit their applications consisting of the following documents/information to demonstrate their qualifications:

1. Technical Proposal will include:

- a. The company profile or motivation letter in case of independent consultant;
- b. Staffing (CV of each team member);
- c. Copy of diploma of high education;
- d. List of studies carried out in the field of Guarantee, Equity or Investment funds developed in the last five years in Moldova;
- e. Time frame with description of the activities and duration(working days) for each activity;
- f. Proposed methodology to perform the study.

2. Financial proposal Detailed Financial proposal (shall clearly specify consulting fee per day, which will include all other relevant administrative, operational, travel, etc costs); cost of services must be provided in USD at 0% VAT¹.

THE EVALUATION

The consulting company will be selected in accordance with the procedures set out in the current edition of IFAD Procurement Guidelines, based on selection method “Quality and Cost-Based Selection (QCBS)”, the final score obtained by each company being composed of 70% of the score for the parameter, Quality” (evaluated based on technical bid) and 30% - score obtained for the parameter, Cost” (established based on financial bid). The financial offer will be opened only if the provided technical offer will pass the minimum technical score of 70 points.

CONDITIONS FOR OFFER’S SUBMISSION

To be considered, interested companies should submit their proposal (technical and financial) one as “Original” and second as “Copy” in separate sealed envelopes. Each envelope will consist of the technical and financial offer sealed in separate envelopes

¹ As per the Government Decree no.246 dd. 08.04.2010 procurement of goods and services under the IFAD-funded programmes shall be carried out applying 0% VAT.

as well (a total of 2 envelopes, each with 2 envelopes inside). Offers to be submitted to the following address: CPIU-IFAD, 162, Stefan cel Mare si Sfint blvd., office 1303, MD-2004 Chisinau, Republic of Moldova no later than **24th April 2015, 15:00**. Any request for clarification must be sent in writing by standard electronic communication to nicolae.babara@ifad.md or office@ifad.md.