



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

## Terms of Reference:

### International consultant on Agricultural Equity Fund (AEF) 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

The Project would support the development and initial operation of an Agribusiness Equity Fund (AEF) through the life of the Project (2011-2016), which is designed to find financial instruments other than debt financing/credits.

The rationale for the establishment of AEF is the growth-oriented agricultural Small and Medium Enterprises (SMEs) 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.

The main target group for the equity activity is SME agribusinesses within agricultural value chains prioritised by RFSADP covering: vegetables, fruits, intensive livestock, and rural value adding and farm services.

As a means to start the process of formation of the AEF, the RFSADP would commission an initial Scoping and Interim Design Study, conducted by international consultant, assisted by national service provider.

#### Tasks of the assignment

The International consultant will undertake the **following tasks**:

- Provide a detailed qualitative and quantitative assessment of the need for such a fund in 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, equity funds, remittances and retained earnings.
- 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 equity funds are currently using, and whether or not this legislation would be suitable for the proposed AEF. 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 AEF, including the statutes. This document would guide the operation of the fund, ensure that it stays within prudent limits, reduce the risks for unprofessional and unethical behaviour, and generally provide information for the staff in discharging their duties.
- Prepare an initial draft business plan for the AEF, 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 AEF.

#### **Deliverables and timeframe**

The timeframe for this assignment (in total 90 calendar days) is tentatively **October-December 2012**. The consultancy presumes a number of working days divided in maximum two missions to Moldova. The tentative agenda for these visits shall be provided by the consultant and agreed with CPIU-IFAD.

Locally hired service provider would assist the international consultant.

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 AEF, 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 guide, including the activities which would lead to establishment of the AEF.

The final Scoping and Interim Design Study would be presented to CPIU-IFAD- 1th of December 2012.

#### **Requirements for Experience and Qualifications**

- Extensive qualifications in finance, banking or related university level qualification;
- Have at least 10 years experience in providing specialist professional services in the field of equity financing for businesses in emerging markets;
- Have expertise in the rural financing;
- Sound knowledge of banking and financing for businesses is a pre-requisite;
- Good command of spoken and written in English.

#### **Documents to be included when submitting the proposals**

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

- Technical Proposal: explaining why they are the most suitable for this kind of work;
- Personnel CV including past experience in similar projects and at least 3 references;
- Detailed Financial proposal (shall clearly specify consulting fee per day in country of location and in Moldova, the number of visits to Moldova and duration and travel costs, etc.);
- Reports, description of similar assignments, experience in similar conditions, etc.

#### **The evaluation criteria**

- The consultant will be selected in accordance with the procedures set out in the current edition of IFAD Procurement Guidelines, based on consultant qualifications.

#### **Location and other aspects**

- Payments will be disbursed in instalments upon submission and approval of deliverables and certification by CPIU-IFAD coordinator, that the services have been satisfactorily performed.
- Proposal should be submitted at the following address: CPIU-IFAD, office 1303,  
162, Stefan cel Mare si Sfint bld,  
MD-2004 Chisinau, Republic of Moldova  
or by e-mail to: [office@ifad.md](mailto:office@ifad.md) no later than **September 17<sup>th</sup>, 2012**.

Any request for clarification must be sent in writing by standard electronic communication to [office@ifad.md](mailto:office@ifad.md).