



AFRICAN DEVELOPMENT
BANK GROUP



Republic of Liberia

**MINISTRY OF COMMERCE AND INDUSTRY
Ministerial Complex, Congo Town
Monrovia, Liberia**

(CONSULTING SERVICES)

NAME OF PROJECT: Program for Advancing Youth Entrepreneurship and Investment (Sub-Project A: Liberian Youth Entrepreneurship and Investment Bank)

Assignment Title: **Firm Selection to serve as investment fund advisor for the Liberian Youth Entrepreneurship and Investment Bank**

Financing Agreement reference: **2100150043943**

Project ID No.: **P-LR-HB0-003**

Issue Date: **May 13, 2024**

End Date: **May 29, 2024**

1. Background

The Government of Liberia through the Ministry of Commerce and Industry (MOCI) has received UA \$12 million from the African Development Bank (AfDB) for the Liberian Youth Entrepreneurship and Investment Bank (YEIB) and intends to apply part of the funds for the selection of a firm to serve as Investment Fund Advisor to oversee the design and delivery of YEIB's equity instruments. The overarching goal of the project is to strengthen financial and non-financial business service to young women and men entrepreneurs in ways that ensure inclusion, decrease vulnerabilities, and prepare for resilience and long-term sustainability of service provision. Specifically, the project intends to youth-dedicated institutions, modeled on the AfDB's Youth Entrepreneurship Investment Bank framework that will provide affordable development and financing solutions to Liberia's youth-led businesses; develops a Youth Entrepreneurship Investment Bank (YEIB), which is the soft infrastructure of the Program for Advancing Youth Entrepreneurship and Investment (PAYEI) ecosystem, delivering financial and business development services; and set up a Business Innovation and Development Center (BIDC) that is the hard infrastructure of the PAYEI ecosystem. The project has four components, with component 1 dealing with youth entrepreneurship oversight; component 2 focuses on establishing youth-dedicated institutions; component 3 deals with deploying YEIB services; and component 4 focuses on project management. The project intends to apply part of the proceeds of the funding for eligible payments under the contract to hire a consulting firm to serve as Investment Fund Advisor and report to the Project Implementation Unit.

Non-performing loans (NPLs) reached 25.6% in 2021, well above the Central Bank of Liberia's (CBL) limit of 10%. The industry's liquidity ratio was 48.6% and the capital adequacy ratio was 30.1% in 2021 – both figures well above the regulatory minimums of 15% and 10%, respectively. A number of financial sector ecosystem constraints are hindering market performance including a limited credit registry system, financial institutions (FIs) lack of confidence in the existing collateral registry, problems with the national ID system, and a lack of regulatory frameworks governing the equity capital and insurance markets.

Debt financing is available albeit limited to short-term lending with tenors up to 18 months and interest rates as high as 25% per annum. The domestic equity market is limited to only a few donor-seed funding pilot projects and private equity investment funds. Provision of finance to the “missing middle” segment of SMEs (too large for microfinance, too small for commercial) is dominated by just a few players and is one of the biggest barriers to private sector development. Access to long-term asset finance is also limited to one non-bank financial institution (NBFI).

In light of the aforementioned, the Government of Liberia with funding from the African Development Bank, intends to provide long-term finance to youth-led businesses and MSMEs in the form of equity and quasi-equity instruments to enable them start, grow, and scale their businesses locally, regionally and internationally. **This consultancy assignment intends to hire a firm to design and deploy dedicated YEIB's equity instruments.**

The primary objectives of this assignment include but not limited to the following:

- To develop and operationalized systems and procedures for the deployment of YEIB's equity instruments
- To design and effectivel deploy YEIB long-term financial products in the Liberian market
- To ensure that Youth-led enterprises (i.e., start-ups, early-stage, growth) supported with appropriate equity financing, including green financing (disaggregated by female and male led youth enterprises) of which at least 50% are outside Monrovia
- To mobilize additional capital to match YEIB Investment Fund

2.The Scope of the Services to be performed

Pending the establishment and operationalization of the Investment Fund, the Investment Fund Advisor will oversee the design and delivery of equity financing instruments. The instruments are expected to be designed in a way that allows MSMEs to start, grow and scale their businesses. The Investment Fund Advisor will develop appropriate systems and processes for the delivery and management of the financing instruments ensuring that the optimal impacts of the instruments.

The firm/institution shall perform the following services:

Development of Systems, Documentations and Processes

- Guided by international best practices, develop appropriate system including risk management regime for the delivery and management of equity capital to support businesses
- Develop relevant agreements, placement memorandum, framework documents, etc

- Set-up processes to include capital release, selection of MSMEs, monitoring and evaluation of the use of equity instruments

Preparation and Deployment of Equity Instruments

- Development of tailor-made equity instruments for MSMEs at different levels, start-up, early-stage, growing and mature MSMEs
- Development and deployment of equity instruments for MSMEs within key sectors of the economy to include agriculture, construction, tourism, transportation, etc
- Development of long-term financing solutions for MSMEs engaged in climate-sensitive activities
- Management of YEIB funds received for the provision of YEIB-tailored long-term financing solutions
- Monitor and report the performance of MSMEs that accessed equity financing including documenting change in productivity, employment levels, and change in revenue
- Responsible for risk management processes and practices
- Oversee allocation, disbursement, collection and recovery of funds provided to MSMEs
- Communication and awareness of YEIB-tailored long-term financial products
- Provision of monthly and quarterly reports to YEIB PIU
- Willing to receive capacity building support
- Forge partnerships to mobilize additional capital to support MSMEs
- Facilitate SMEs relationship with potential investors

Resource Mobilization and Partnership Development

- Identify potential investors and financiers of long-term funding to MSMEs
- Develop proposals to attract additional resources to the YEIB Investment Fund
- Document additional funding received, their sources and purposes

Minimum Qualification, Skills and Experience:

The Investment Fund Advisor should meet the following requirements:

- At least 10 years' experience in delivering investment/advisory services to MSMEs in similar context in the region; knowledge and experience of working in Liberia will be an added advantage.
- Demonstrated linkages with leading local and international partners, including investors, venture capital, Permanent Capital Venture, and other capital structures
- Solid experience in asset management and capital allocation
- Experience in partnering with development finance institutions and/or international organizations in unlocking access to finance for MSMEs is an added advantage
- Proven capacity in risk management and asset recovery
- Have a strong network of clients, SMEs and youth-led businesses in Liberia
- Good understanding of the Liberian entrepreneurship ecosystem

KEY PERSONNEL OF CONSULTING FIRM AND THEIR QUALIFICATIONS

The firm must have the following key personnel with the relevant qualifications outlined herein:

Position	Required Skills/Qualifications
Team Lead	<ul style="list-style-type: none"> • A minimum of Master’s Degree in corporate finance, investment banking, business administration, financial economics, or related field. • At least 10 years’ experience in investment banking, private sector development, asset management, financial risk management and SME access to finance • Experience working in the aforementioned fields in Liberia or the sub-region, for more than 5 years or a mix of sub-region and international experiences for more than 8 years is a must. • Experience in designing, delivering and managing venture capital • Good understanding of country, regional and global SMEs/agribusiness trend and related issues (challenges and successes) is desired. • Experience with multilateral development banks and/or international financial institutions is desirable
Investment Expert	<ul style="list-style-type: none"> • A minimum of Master’s Degree in finance, investment banking, risk management, business administration or related field • At least 5 years’ experience in corporate finance, SMEs access to finance, markets and investments, and risk management • Experience working in the aforementioned fields in Liberia or the sub-region, for more than 5 years or a mix of sub-region and international experiences for more than 6 years is a must. • Experience in development of business plans and bankable proposals for SMEs • Good understanding of Liberia’s youth entrepreneurship ecosystem • Experience with multilateral development banks and/or international financial institutions is desirable
Finance Expert	<ul style="list-style-type: none"> • A Masters’ Degree in finance, accounting, business administration or related field • At least 10 years’ experience in financial services, financial inclusion, financial management or accountancy • Experience in SME access to finance, markets and investment opportunities is desirable • Experience working in the region and Liberia is an added advantage • Experience in training, facilitation, coaching and mentoring businesses of varied sizes is highly desired

	<ul style="list-style-type: none"> • Knowledgeable in the areas of business model development, costing, budgeting and business planning and implementation of growth strategies for SMEs are highly desire • Knowledgeable in a wide range of BDS topics (e.g. market intelligence, financial services, bookkeeping, inventory management, sales projections, market systems, etc.) is desired
Marketing Expert	<ul style="list-style-type: none"> • A minimum of Master Degree in marketing, finance, business administration, economics or related field. • At least 5 years' experience in marketing in multiple sectors of the economy with a strong experience in marketing financial products • Working experience in the region and Liberia is an advantage • Experience in developing marketing strategies, tools and materials for diverse audience • Experience in SMEs' access to finance, entrepreneurship development is desirable • Experience in conducting trainings in the sales projection, budgeting, financial statements (profit/loss statement, cashflow statement, balance sheet), facilitation, coaching and mentoring businesses of varied sizes and capacities in the sub region and internationally highly desired while working in Liberia is an added advantage. • Experience with multilateral development banks and/or international financial institutions is desirable

Duty Station: Monrovia
Start Date: TBA
End Date: TBA
Duration of Assignment: 2 Years

The Ministry of Commerce and Industry invites eligible consulting firm (s) to indicate their interest in providing these services. Interested consulting firm (s) must provide information indicating that that they are qualified to perform the services, (i) information detailing the company's existence and areas of expertise (ii) list of similar assignments and experience in similar conditions, (iii) list of overall permanent and temporary staff in fields related to the assignment (Qualification will be considered from one of two perspectives: a. firm's qualification and b. staff and consultants qualification), (iv) evidence of past performance if any, and (v) any other relevant information that might be useful. Consulting Firm may constitute joint ventures to enhance their chances of qualification.

Eligibility criteria and the selection procedure shall be in accordance with the African Development Bank's "Procurement Policy Framework for Bank Group Funded Operations" October 2015 which is available on the Bank's website at <http://www.afdb.org>.

Further information can be obtained at the address below during office hours, i.e. from 0900 to 1700 hours (GMT) on working days.

Expressions of interest must be delivered in a written form to the address below by hard copy or email by 29th May, 2024 @ 1700 hours (GMT) and mention **“Provision of Consulting Services as Investment Fund Advisor for the Program for Advancing Youth Entrepreneurship Investment (PAYEI)”**.

Attn:

**Deputy Minister for Administration
Ministry of Commerce and Industry
Ministerial Complex, Congo Town
Monrovia, Liberia**

E-mail: mewaseh76@gmail.com, and copy the following:
Wlyealue@gmail.com; jsblango1@gmail.com