

REQUEST FOR EXPRESSIONS OF INTEREST  
AFRICAN DEVELOPMENT BANK GROUP  
Mozambique Country Office  
Transition States Coordination Office (RDTS)  
E-mail: [r.correa@afdb.org](mailto:r.correa@afdb.org) / [a.l.sanogo@afdb.org](mailto:a.l.sanogo@afdb.org) — Telephone: #  
Cc: [e.mariga@afdb.org](mailto:e.mariga@afdb.org)

**Expressions of interest are being requested for a Consultant Position**

**Brief description of the Assignment:** The Transition States Coordination Office (RDTS) is commissioning a study to identify opportunities for conflict-sensitive private sector investment in Mozambique. The study will outline private sector development challenges faced by different stakeholders including investors, government, local enterprises, development partners and individuals, and profile explicit measures needed to advance peace-positive private investments in Northern Mozambique<sup>1</sup>. The outcomes of the study will provide concrete evidence based on practice, on factors that have constrained private sector investment in Northern Mozambique's entrepreneurship development, including in sectors such as small-scale agriculture, light manufacturing, artisanal work, and local services. For each of the constraints, a detailed profiling will provide further contextual information on how such evidence can be linked to current and future project preparation. The second major outcome related to the provision of peace-positive pipeline of PSD interventions, including those at upstream, midstream, and downstream levels.

**Department issuing the request:** Transition States Coordination Office (RDTS)

**Place of assignment:** Maputo, Mozambique

**Period of the assignment:** 15 June 2023 to 15 October 2023

**Expected start date of the assignment:** 15 June 2023

**Last date for expressing interest:** 28 May 2023 at 12h00 Abidjan time

**Expression of interest to be submitted to:** [r.correa@afdb.org](mailto:r.correa@afdb.org) & [a.l.sanogo@afdb.org](mailto:a.l.sanogo@afdb.org) With copy to [e.mariga@afdb.org](mailto:e.mariga@afdb.org)

**Questions and clarifications to be addressed to:** [r.correa@afdb.org](mailto:r.correa@afdb.org)

**How to Apply**

Interested candidates are invited to send their updated Curriculum Vitae (based on the template in Annex I) and letter of interest in a single PDF file (in English or in French) to [r.correa@afdb.org](mailto:r.correa@afdb.org) & [a.l.sanogo@afdb.org](mailto:a.l.sanogo@afdb.org) copy to [e.mariga@afdb.org](mailto:e.mariga@afdb.org) with the following email format.

File name: "[last name], [first name]" (e.g. Peterson, Anna)

Subject line: "RDTS Consultant – Private sector Development and Investment in Mozambique"

**Candidates are encouraged to include references to proven analytical products developed under their previous working experience.**

*P.S: Please note that we will contact you only if you are shortlisted for further consideration, and that, given the large volume of applications we receive, some time may elapse before the selection process is complete.*

<sup>1</sup> These investments can be characterized as intentionally defined peace investments, with targeted social and environmental impacts that address conflict dynamics and contribute to a more peaceful environment.

## Terms of Reference

### Conflict-sensitive Private Sector Development and Investment in Northern Mozambique

#### 1. Background

Over the last decades, the international development community has increasingly turned its attention to countries affected by conflict and fragility, which are also referred to as transition states in line with AfDB's 2022 Strategy for Addressing Fragility and Building Resilience. These countries are often characterized by different combinations of weak state structures, substantial poverty and inequality, political instability and/or violent conflict. According to the Organization for Economic Co-operation and Development (OECD), in 2020, before the impact of COVID19, fragile contexts were home to 23% of the world's population and 76.5% of all those living in extreme poverty globally. Based on current trends, poverty will increasingly be concentrated in these countries, and it has become evident that spillover effects are posing a significant threat to neighboring countries.

Over the past years, there is a growing recognition that private sector development can be an important pathway out of fragility. Creating new employment and livelihood opportunities helps to increase economic diversity and alleviate inequality and marginalization, leading to greater resilience. Accordingly, the AfDB's 2022 Strategy for Addressing Fragility and Building Resilience emphasizes the theme of "catalyzing private investments" as one of its three priority areas, in addition to "strengthening institutional capacity" and "building resilient societies". Consistent with its Private Sector Development Strategy, the Bank adopts a holistic approach, with upstream (the policy environment), midstream (critical infrastructure), and downstream activities (facilitating investment finance, including through NSOs and support for financial intermediaries).

Historically, transition states have received a marginal share of global foreign direct investment (FDI), which was often concentrated within the natural resources sector and at times could also lead to grievances in view of the complex political economy in a business environment characterized by conflict and fragility. The local economy has been dominated by informal micro, medium, and small enterprises (MSMEs) for decades and the broader business environment is affected by political instability and disruptive events, which further increase the cost of doing business in these economies.

This notwithstanding, significant business opportunities exist in sectors such as agribusiness, energy, transportation, natural resources, and ICT. However, the perception of risk and the challenges of developing bankable projects make it more difficult to attract private investors to complement public resources and ensure stability for a blended financing approach. One of the constraints in taking non-sovereign operations (NSOs) from conception to bankability is the sponsors' lack of capital to pay for pre-development studies, project documentations as well as permits and licenses required for the project to proceed<sup>2</sup>.

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<sup>2</sup> Project documentation that funders expect to be completed before they can consider investment proposals includes feasibility studies, environmental and social impact assessment studies, business plans, financial assessments and other preparatory work.

With its vast natural resources (oil, minerals, mines, forests, water, agriculture), Mozambique is one of the “richest” countries on the African continent. However, its economy remains heavily dependent on extractive industries, and the sustainable development of a formal private sector outside this industry remains a significant challenge, undermining economic diversification and job creation. The Government of Mozambique is committed to advance along these lines and to leverage the potential resources of the private sector to finance innovative national programs such as the Economic Acceleration Stimulus Package (PAE)<sup>3</sup>. The critical role of the private sector in Mozambique’s non-mineral sectors is also highlighted by African Development Bank’s Country Strategy Paper for Mozambique and the World Bank’s recently completed Country Private Sector Diagnostic (CPSD), which identifies priority areas linked to the need to improve the business environment for further private investment in critical sectors such as agriculture.

In addition, the intensification of armed violence in the Cabo Delgado Province since 2017 has brought renewed national and international attention to the three provinces in Northern Mozambique (Niassa, Cabo Delgado, and Nampula). By September 2021, the attacks resulted in more than 2,000 casualties and forced the displacement of more than 850,000 people, with an impact on the economic and social prospects of the country, and the Northern region in particular.

In August 2022, the Government of Mozambique approved the Northern Mozambique Resilience and Integrated Development Program (PREDIN), which aims at improving and developing local socio-economic conditions in Northern Mozambique in the short and medium terms. PREDIN focuses on reducing rural poverty, as well as the social and economic gap among the population, with an emphasis on women and youth. It focuses on improving food security by increasing the agricultural income of target beneficiaries, boosting the diversification of livelihoods and income generation, and generating self-employment and enhancing resilience. Sectors such as small-scale agriculture, light manufacturing, artisanal work, and local services could play an important role in the implementation of PREDIN.

Within this context, the creation of the Cabo Delgado Province National Reconstruction Plan (PRCD) aimed at intensifying focus on the Cabo Delgado Province. The goal of PRCD is to provide a holistic and multidimensional response to the crisis in the region, while fostering socio-economic development. The AfDB is a member of the PRCD's Steering Committee, alongside other development partners. As such, it commits to engage in policy dialogue and mobilise resources to advance the implementation of the PRCD.

## **2. Objective for the proposed study**

The AfDB is currently finalizing its new Country Strategy Paper (CSP) for Mozambique, which will continue to operationalize its High 5 priorities of (i) Feed Africa; (ii) Light up and Power Africa; (iii) Industrialize Africa; (iv) Integrate Africa; and (v) Improve the Quality of Life for the people of Africa. As part of this CSP, the Bank seeks to act as a catalyst for private investments that are conflict-sensitive, particularly in those regions that remain affected by violent conflict. To support the effective implementation of the CSP, the Bank will remain

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<sup>3</sup> The Economic Acceleration Stimulus Package (PAE) is based on 20 reform measures focused on two areas of intervention that form the basis for the resumption of economic growth, i.e., fiscal and economic stimulus measures. These reform measures aim at improving the business landscape, transparency, governance, and the acceleration of strategic infrastructure projects.

proactive in private sector development at upstream, midstream and downstream levels. With its local knowledge and status as a trusted partner, the Bank is well positioned to support these interlinked stages from improving business environment, to pipeline development through engagements with public institutions and private investors. Underpinning such engagements with conflict-sensitive considerations would not only bridge the gap between investors and entrepreneurs but will ensure sustainable peace-positive investments.

Against this background, a review of the private sector landscape of Northern Mozambique is needed in order to identify near- and medium-term opportunities for AfDB's conflict-sensitive private sector engagement, and recommendations for reforms and policy actions to mobilize private investment and support private sector development. This will enable the Bank to scale up its private sector operations in the country with an explicit intention of contributing to peace and building resilience. In this process, the Bank will leverage its suite of public and private financing instruments, including risk mitigation products, and various financing facilities, to support private sector engagement.

Building on the analytical work undertaken by the Bank and other development partners with respect to Mozambique's private sector landscape, the Bank through its Transition States Coordination Office (RDTS) is commissioning a study to identify opportunities for conflict-sensitive private sector investment with a focus on Northern Mozambique. The study will outline private sector development challenges faced by different stakeholders including investors, governments, local enterprises, development partners and individuals, and profile explicit measures needed to advance peace-positive private investments in Northern Mozambique<sup>4</sup>. The outcomes of the study will provide concrete evidence based on practice, on factors that have constrained private sector investment in Northern Mozambique's entrepreneurship development. For each of the constraints, a detailed profiling will provide further contextual information on how such evidence can be linked to current and future project preparation. The second major outcome related to the provision of peace-positive pipeline of PSD interventions, including those at upstream, midstream and downstream levels. Furthermore, the diagnostic should assess the entrepreneurial landscape and opportunities to build and invest in small businesses, particularly in conflict-affected regions such as Northern Mozambique.

### 3. Organization of the Assignment

The study will be divided into two phases:

#### **Phase I - Learning from Practice: Understanding pitfalls in private investment in Northern Mozambique**

This evidenced-based assessment will involve a **comprehensive assessment of the most binding constraints to private sector development in Northern Mozambique**, with a focus on sectors such as small-scale agriculture, light manufacturing, artisanal work, and local services. While the task involves extracting valuable lessons from many projects that have successfully or failed to reach financial closure, the assessment will also benefit from consultations with Government, Private sector, development partners and civil society;

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<sup>4</sup> These investments can be characterized as intentionally defined peace investments, with targeted social and environmental impacts that address conflict dynamics and contribute to a more peaceful environment.

- This phase will also examine and present the status of key reforms undertaken by the government regarding the country's investment environment. These reforms may include but are not limited to (i) simplification and streamlining of tax administration procedures and practices in conflict-affected areas, including any tax incentives for the local private sector; (ii) simplification of the creation and obtaining of business licenses, (iii) facilitation of access to land and land documents, and iv) gauging the appetite of the local government to set up de-risking facilities to catalyze additional private sector investments.
- This phase of the assessment should reflect current constraints in the context of the measures being taken by the Government, private sector and development partners, and identify medium-term policy measures that can be explored to unlock investment opportunities, promote upstream project development, address capacity deficiencies, and stimulate competition.
- Finally, in the context of the African Development Bank's financial and advisory instruments, the assessment should identify gaps and provide recommendations needed to further complement national efforts in PSD. The lessons should consider the entire suite of financing and risk mitigation products of the Bank and how they can be leveraged for this purpose, while highlighting risks and limitations.
- In executing Phase I, the consultant will be required to:
  - (i) Review previous assessments conducted by the Bank and other development partners on private investment mobilization in Mozambique; (ii) Conduct public-private dialogue; (iii) Consider lessons learned from successful experiences in other countries; (iv) Learn from investor's feedback, including from the Agency for the Promotion of Investments and Exports's (APIEX) pipeline and from trade and sector experts, and (v) Review of projects funded by the AfDB and other development finance institutions in this sector.
  - Compile a database of non-sovereign clients (from AfDB and Other entities), including those whose funding request did not reach approval or signature.
  - Consult with the Bank's portfolio teams and to the extent possible other partners such as IFC and CDC, to identify performance or failure factors in their direct and indirect (i.e., through funds and financial intermediaries) NSO portfolio.
  - Review of risk allocation assumptions to identify which type of risks can be allocated (e.g. legally) to the identified NSO clients (e.g. land acquisition, collection of tariffs from individual consumers and safety monitoring).

## **Phase II - Using lessons to enhance pipeline development for peace-positive investments in Agriculture.**

In Phase II of the assignment, the consultant will identify PSD interventions that are critical for catalyzing peace-positive private investments in the agriculture sector. Activities in this phase will build on the findings and recommendations of Phase I. The pipeline development will take into consideration, binding constraints at upstream (the policy environment), midstream (critical infrastructure), and downstream activities (facilitating investment finance, including through NSOs and support for financial intermediaries) needed to catalyze peace-positive private investments, including FDI, domestic private investments, and small-scale businesses.

Working closely with the Bank's NSO sector teams and government agencies such as the Agency for the Promotion of Investments and Exports (APIEX) and the Confederation of Economic Associations of Mozambique (CTA), the consultant will prepare proposals (in the form of project profiles) focusing on the downstream, midstream and upstream activities needed to support these specific investors. In doing so, the consultant will:

- Have to become familiar with all background documentation and preparatory work conducted by the Bank to date on potential NSO clients in the country.
- Assess and present the extent to which potential NSO clients in the country would meet the Bank's requirements in terms of KYC, ESG, bankability, etc.
- Consult with the Agency for the Promotion of Investments and Exports (APIEX) and the Confederation of Economic Associations of Mozambique (CTA) on the outcomes of the various roundtables organized in the country and identify the challenges for Mozambican SMEs in mobilizing financing. Explore possibilities for the use of de-risking instruments to crowd in private investment in the sector.
- Review the Bank's internal process and propose solutions, if necessary, to adapt the financing instruments and risk appetite to the market and needs of these investors.
- Provide detailed guidance on how investment processes and standards can be refined by the Bank to ensure that investments are conflict-sensitive and peace-positive.

**Timing of the Assignment:** A total of 12 weeks is scheduled to complete phase 1 and 2 of the assignment. The timeline allocated to each phase is as follows:

- Phase I of the assessment is expected to be completed four (04) weeks from contract signature date, with submission of a report, as described above.
- Phase II is expected to be completed in eight (8) weeks from the validation of the Phase I Report, with the submission of a long list of bankable operations and a short list of five operations with fully developed project briefs.

#### **4. Methodology/Approach of the study**

The consultant is expected to begin his/her mission in 15 May 2023 and the consultant will be based in the Bank's Mozambique Country office (COMZ).

The Bank will facilitate the discussions not only with the Bank's NSO sector team, but with key stakeholders including government agencies, local investors, civil society organizations, e

#### **5. Deliverables**

The expected final deliverables under this contract are:

- i. Phase I Report-Learning from Practice:** deliverable under this phase includes a well written report detailing private sector development constraints, gaps, policies, reforms and an actionable recommendation in the context of peace-positive private sector development in Northern Mozambique. The consultant will also submit datasets and outcome of consultations used in preparing the reports. Identify specific factors that contributed to success and failure of previous NSO projects in Mozambique. The

consultant will use recent historical data from Development Partners and Private Investors to determine factors that contributed to successful closure or failure among in NSO interventions in Mozambique. The objective of this exercise is to learn important lessons on how to scale-up PSD in conflict settings.

- ii. **Phase II Report-Using lessons to catalyze peace-positive private investment in Northern Mozambique:** Based on lessons learn in Phase I, the Phase II report will entail a pipeline of peace-positive PSD interventions that are critical for catalyzing private investment with significant peace-positive impacts in Mozambique. In the context of peace-positive private sector investment, the outcome of this Phase will include a long list of bankable PSD projects and at least five project briefs which can feed directly into pipeline of projects as part of CSP's implementations.
- iii. **A regional Project Concept Note (PCN) for a TSF-funded operation under the programmatic approach:** Deliverables under this includes: A well written report Project Concept Note (PCN) for a private sector operation in Northern Mozambique.

## 6. Duration and Location

The consultant is expected to begin his/her mission in 15 June 2023 and the consultant will be based in the Bank's Mozambique Country office (COMZ). *All travel arrangements and payments shall be in accordance with the Bank's Travel Policy (PD01/2016) as amended.*

## 7. Qualifications of the Consultant

The consultant should possess the following expertise and qualifications:

- A minimum of a master's degree or equivalent in the following areas of competence: economics, finance, business, or similar areas. Post-graduate qualifications in financial structuring and investment resources allocations will be considered an added advantage.
- Have a minimum of ten (10) years of progressively responsible professional experience in private investment and private sector development, including in fragile contexts and with development finance institutions.
- Good understanding of the Bank and other DFI Non-Sovereign Operations (NSO) eligibility criteria and processing requirements.
- Experience in Sub-Saharan Africa, preferably Mozambique, working on private sector development and how it interacts with conflict dynamics.
- Experience in investment processes, financing instruments and risk mitigation products of development finance institutions.
- Excellent English (writing, reading, speaking) and Portuguese (reading, speaking).
- Excellent presentation and communication skills.

## 8. Remuneration

- **Contract Amount:** The Bank shall pay the Consultant a competitive fee based on the level of experience and consistent with its remuneration policy.

- **Method of Payment:** The payment of the Contract amount shall be made upon satisfactory completion of the outputs described in this Terms of Reference.

Please attach an updated Curriculum Vitae based on the template in Annex I.



Title of the Assignment:

Department:

Surname:

Birth Date:

Address:

Telephone:

First Name:

Nationality:

Country:

E-mail:

<b>Are any of your family members (spouse/partner, father/mother, Brother/sister, Son/daughter, etc.°) employed in the African Development Bank?</b>			Yes <input type="checkbox"/> No <input type="checkbox"/> If « Yes », the following data must be provided
Name	Relationship	Organisation Unit	Place of Assignment

Language Level	Read	Written	Spoken
English	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent
French	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent
Other (specify)	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent	<input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent

**Key Qualifications:**

Please provide (i) a summary of your experience and training highlighting the most relevant for the proposed assignment, and (ii) the responsibilities which you exercised. Utilize one half-page maximum.

**Education (University Level and above only):**

Name of University - City - Country	Period		Diploma Obtained	Main Topic / Major
	From	To		

**Professional Training:**

Name of Training Institution- City - Country	Type of Training	Period		Certificates or Diploma Obtained
		From	From	

**Employment Record:**

Begin with your most recent employment. For each job since your Master Degree achievement, please indicate:

- Dates of duty
- Name of the Employer
- Type of Activity/Business of the Employer
- Title / Function
- Place of Employment
- Brief Description (three lines maximum) of main accomplishments and responsibilities

**Reference:**

Please indicate the name and address of three persons with no family relationship with yourself, familiar with your character and titles.

I hereby certify that the responses which I provided above are all, to the best of my knowledge, true, complete and accurate. I acknowledge that an inaccurate statement or essential omission in a personal declaration or another document required by the African Development Bank might result in the rejection of my application, termination of my Contract or any other administrative sanction by the Bank. The African Development Bank may verify any statements which I made in this application.

Date: \_\_\_\_\_

*Signature:*