

## ANNEX I: TERMS OF REFERENCE

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# **1. BACKGROUND INFORMATION**

## **1.1. Context**

The EMGN is a network of credit guarantee institutions in the Mediterranean region. Its primary goal is to enhance the financial inclusion of micro, small, and medium enterprises (MSMEs) by offering innovative and customised financial guarantee services to these enterprises. Additionally, the EMGN serves as a platform for knowledge sharing and collaboration among its members, facilitating peer-to-peer learning. The network also arranges capacity development programs and conducts research on relevant topics.

To date, the EMGN has successfully conducted five training courses, known as Academies. These courses were selected based on the preferences of EMGN members and covered subjects such as the digital transformation of credit guarantee institutions, including frameworks, tools, and strategies for digitalisation. Other topics included enterprise risk management and operational/credit risk management, as well as futures thinking and strategy transformation, and greening of credit guarantee institutions in the MENA region. Additionally, EMGN has a research and development agenda for which it has created Working Groups and conducted studies on various areas of interests for Credit Guarantee Companies with a regional focus.

Starting from January 2023, the task of managing EMGN Activities and research agenda has been assigned to Euro-Mediterranean Economists Associations (EMEA) by GIZ, the German Agency for International Cooperation (GIZ) commissioned by the Government of the Federal Republic of Germany. EMEA, established in 2012, is a leading regional innovative think and act tank with in-house policy research, action development and implementation capacity and a large network in Europe, the Mediterranean and Africa.

## **1.2. Contracting authority**

Euro-Mediterranean Economists Association (EMEA)

# **2. OBJECTIVE AND TASKS**

## **2.1. Overall objective**

The overall objective of EMGN is to alleviate the region's structural constraints for MSMEs to access finance by gathering guarantee schemes active in the countries of the Euro-Mediterranean Partnership around eight closely related objectives:

- BRIDGE the knowledge gap as regards MSMEs access to finance in the region.
- INCREASE COOPERATION between EU, the Northern and Southern Mediterranean institutions active in the development of MSMEs and their access to finance, through i.e. the recently established European External Investment Plan.
- EXPAND guarantee schemes in the Mediterranean Partner Countries and the advancement of Euro-Mediterranean cooperation in the area of credit guarantees.
- SUPPORT the development of Southern Mediterranean guarantee schemes product range and particularly in the MSME segment.
- PROVIDE evidence on the impact of credit guarantees and on the feasibility for the implementation of other guarantee instruments such as counter guarantees funds and equity guarantees.
- ENHANCE the operating environment of Northern and Southern Mediterranean guarantee schemes.
- DISSEMINATE knowledge on guarantee schemes via appropriated supports.

- INTENSIFY cooperation between the credit guarantee schemes beyond the Euro-Mediterranean region.

## **2.2. Specific objectives and purpose of the contract**

As part of its research and development agenda, EMGN has established a Working Group (WG) focused on counter guarantees for credit guarantee schemes operating in the Southern Mediterranean region. Several meetings have been held to understand the role and functioning of counter-guarantee schemes, a report of the workshops conducted is available for candidates to review. Additionally, discussions have taken place between EMGN, the Arab Monetary Fund (AMF), and their central bank member institutions to explore the possibility of setting up a regional counter-guarantee scheme for the MENA region. As a result of these efforts, financial sector regulators and EMGN members have expressed their intention to commission a feasibility study for establishing such a regional counter-guarantee scheme. A pre-feasibility study has already been conducted, providing the groundwork for an advanced feasibility study to be conducted. The prefeasibility study covered the following: context and rationale of a counter guarantee scheme, previous national and regional experiences, overview of the lending landscape and credit guarantee schemes in the Arab region, strategic mandate options for a counter guarantee scheme including a recommendation for a dedicated and focused green mandate, proposal for capitalization structure and regulatory considerations, in addition to a brief stakeholder mapping. The study will be made available to candidate to tender upon request to [Christine.devisser@euromed-economists.org](mailto:Christine.devisser@euromed-economists.org) in order to ensure candidate to focus their proposal building on what has already been delivered.

## **2.3. Specific Tasks to be implemented by the contractor.**

The study aims to evaluate the feasibility of implementing a regional counter guarantee scheme, including its key design features, and to develop a roadmap for its implementation. The consultant's responsibilities include carrying out the following tasks.

- Strategy, mandate, vision, and mission, outputs, and success criteria.
- Initial capitalization requirements, including blended finance options.
- Detailed stakeholder mapping, building on the pre-feasibility study mapping exercise.
- Forecast of a regional Counter Guarantee Scheme (CoGS) that includes demand estimation, volume projections, guarantee features (subjective and objective).
- Legal and regulatory framework analysis and description.
- Activities of the Regional CoGS; operational considerations and eligibility.
- Organizational structure.
- Implementation plan (roadmap for establishment).
- Financial model and pricing.

### **Deliverables:**

- Draft of the Advanced Study
- Final Version of the Advanced Study
- Presentation to EMGN Members
- Short Activity Report detailing the work implemented, people involved in consultations and any challenges or changes with respect to the technical proposal

### **Indicative Timeline to Tender:**

Public Tender Open From: Octobre 2023 to November 2023

Last date to request clarifications: 5th of November 2023, 23:59 CET

Submission deadline to tender: 26<sup>th</sup> of Novembre 2023, 23:59 CET

### **Indicative timeline for the Implementation of the study:**

January 2024 – April 2024

Presentation of the study: May 2024

## **3. SCOPE OF THE WORK**

### **3.1. General**

#### **3.1.1. Description of the assignment**

The contractor will work in an autonomous way and shall request assistance from EMEA if it were to encounter difficulties in reaching out to CGs Institutions. The contractor shall meet the objectives as described in sections 2.2 and 2.3 according to the defined timeline.

#### **3.1.2. Geographical area to be covered.**

The geographical area to be covered by the study is the Southern Mediterranean Region, making special attention to Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia.

### **3.2. Project management**

#### **3.2.1. Responsible body**

The body responsible for managing this contract is the Coordinating Team, formed by the President and Founder and the Project Coordinator on behalf of the Euro-Mediterranean Economists Association (EMEA), and THE CONTRACTOR as an external service provider contracted to develop the Advanced Feasibility Study and cover the specific tasks of this ToRs through a series of deliverables and the submission as outlined in section 2.3.

#### **3.2.2. Management structure**

The contractor will report its activities to the Project Coordinator and inform the latter of any challenge that might affect the achievement of the different milestones. The contractor is expected to assign personnel to the project as described in section 5.1. Staff

#### **3.2.3. Facilities to be provided by the contracting authority and/or other parties.**

EMEA will facilitate a shared drive folder, zoom platform and other tools to hold online follow-up of the development of the study.

## **4. LOCATION AND TIMING**

### **4.1. Location**

The assigned personnel (is/are) expected to work from (his/her/their) home country for most of the Assignment. Travel to target countries for research purposes is eligible and should be detailed in the financial offer if required.

The contractor is expected to participate in online events and meetings organized by EMGN, and is invited to travel to one event to present the results of the study (expected to take place in Amman in Spring 2024). If the contractor intends to participate in person in this event, cost should be reflected in the contractor's financial offer.

#### **4.2. Start date & period of implementation of tasks.**

The intended start date for the feasibility study is the 1<sup>st</sup> January 2023 until the 30<sup>th</sup> April 2024.

The first draft of the study should be sent by the 31<sup>st</sup> of March 2024.

The draft will be reviewed throughout April 2024 and shall be presented in May 2024 to an EMGN Event.

### **5. REQUIREMENTS**

#### **5.1. Staff**

The contractor shall provide personnel who are suited to filling the positions described, on the basis of their CVs (See section 6.1 Technical Offer), the range of tasks involved and the required qualifications.

**Desired qualification** and requirements to reach the maximum number of points:

##### **Expert 1 – International**

- Tasks (See section 2.3 of this ToRs)
- Qualifications:
  - o General qualification: Advanced university degree or equivalent in economics, finance, business administration, development studies, or relevant majors.
  - o Language skills: Excellent business language skills in English (C1), basic knowledge of French is a plus.
  - o General Professional Experience:
    - At least 8 years of work experience with financial sector
    - 3 years of proven knowledge and experience in area of credit guarantee schemes
  - o Specific Professional experience:
    - 2 years' experience with counter guarantee schemes
  - o Regional Experience:
    - 2 years regional experience/ knowledge of country: MENA Region

Note that civil servants and other staff of the public administration of the partner country, or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

##### **5.1.1. External experts, support staff & backstopping**

CVs for external experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to external experts with the required profiles if considered necessary by the contractor. The contractor shall select and hire other experts as required according to the needs. The selection procedures used by the contractor to select these other experts shall be transparent and shall be based on pre-defined criteria, including professional qualifications, language skills and work

experience. The costs for backstopping and support staff, as needed, are considered to be included in the financial offer.

## **5.2. Office accommodation**

No office accommodation is required for this assignment as it will take place remotely.

## **5.3. Facilities to be provided by the contractor.**

The Contractor is expected to provide mostly desk research activities; therefore, no facilities are to be provided by the contractor under this assignment. Any in-person activities required between the contractors and EMGN members should be included in the technical offer, and their implementation costs should be included in the financial offer.

## **5.4. Equipment**

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract which is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

# **6. TECHNICAL AND FINANCIAL OFFER TO THE TENDER**

## **6.1. Technical Offer**

The candidate contractor is required to send a technical offer to EMEA, providing an overview of the methodology that would be implemented to conduct the specific tasks outlined in Section 2.3. Specific Tasks to be implemented by the contractor. The Technical offer should demonstrate:

- How the objective defined in Chapter 2, objective and tasks are to be achieved, if applicable under consideration of further specific method-related requirements
- Technical-methodological concept of the proposal

The candidate contractor should demonstrate past experiences in conducting similar studies and development of roadmap for financial institutions.

The candidate contractor should provide the CV of the personnel expert(s) proposed in accordance with section 4.1 of the ToRs. The CV must clearly show the position and job the proposed person held in the reference project and for how long. The CV must be submitted in English and its length should not exceed 4 pages.

## **6.2. Financial Offer**

The candidate contractor is required to send a financial offer to EMEA for the implementation of activities outlined in section 2.3. *Specific Tasks to be implemented to achieve the objective of the service.* The Financial offer should include expected travel expenses such as transportation, accommodation, and per-diem if deemed necessary for the achievement of the defined task.