



TERMS OF REFERENCE (TOR)

ETHIOPIA

GENERAL INFORMATION

Services/Work Description:	International Firm Level Consultancy for Fund Structuring Advisor, timbuktoo
Project/Program Title:	Regional Programme
Duty Station:	Home based
Type of the Contract:	International Consultancy Firm
Duration:	24 months
Expected Start Date:	Immediately after Signing the Contract

I. BACKGROUND / RATIONALE

The Regional Programme contributes to the UNDP Strategic Plan by focusing on three outcome areas: African Union and Regional Economic Communities (RECs) deliver on their mandate, especially cross-cutting issues related to resilience building (contributing to the Strategic Plan Outcome 2); Regional growth is inclusive, transformational and sustainable with reduced economic inequalities, and characterized by structural transformation (contributing to the Strategic Plan Outcome 2); and Regional institutions sustain peace and build resilience to crises and shocks (contributing to the Strategic Plan Outcome 3).

The UNDP Regional Bureau for Africa has launched an exciting major new initiative in 2021, **timbuktoo**, aimed at galvanizing African youth as entrepreneurs, innovators, and problem solvers.

Linked to UNDP's Regional Service Center for Africa and the UNDP Accelerator Lab initiative, timbuktoo will be a significant new entrant into UNDP Africa's ambition to transform the African continent by harnessing the African people themselves, particularly the ambitious, vibrant, youth, as the key to its developmental path out of poverty.

timbuktoo will be a multi-pronged initiative, focused on supporting and growing innovative, scalable, and impactful entrepreneurship by African young people, while relying on a springboard of partners who together contribute meaningfully to building an African youth innovation and startup ecosystem. The timbuktoo approach will be anchored in seeking, nurturing, and building African solutions forwarded by Africa's youth that directly address one or more of the seventeen Sustainable Development Goals (SDGs).

Through timbuktoo, Africa's youth will be mobilized to solve pressing problems of the day, from hunger, to education, to governance, to corruption, to gender equality, to universal health, to maximizing opportunities in the One African Market, and much more. timbuktoo is premised on the fact that a global startup revolution is under way and that there is no place on earth that has a monopoly of good ideas. The only difference between where innovation thrives and leads to transformational outcomes and where ideas wither and die is the fertile ground on which ideas fall. That fertile ground is the startup ecosystem, which encompasses support organizations, business services, mentors, angels, university centers of knowledge and innovation, corporate partners, conducive policies, and different levels and types of financing. Put together, this startup ecosystem can deliver powerful results, creating jobs, transforming livelihoods, and fostering wealth.

timbuktoo will be catalyzed by the United Nations Development Programme's Regional Bureau for Africa, functioning as a public-private consortium to raise and invest USD 1 billion over 10 years into African innovative youth enterprises, with a unique structure and an innovative blended finance model.

II. OBJECTIVES OF THE SERVICE / SCOPE OF WORK

Working with a consortium of partners, the specific objectives are to:

1. Establish a Parent Fund that would be funded by public-sector Catalyst Partners
2. Establish up to 10 subsidiary Funds at the Hub level with investment by the Parent Fund and private co-investors
3. Achieve a total fundraising of up to 1 billion dollars from public and private partners for African youth innovation startup financing

The expected outcomes of the timbuktoo Innovative Financing Facility would be:

1. Support 1,000 startups that achieve scale in 10 years
2. Impact 10 million livelihoods and the environment
3. Create ten-fold economic value

III. EXPECTED OUTPUTS / DELIVERABLES

Over a period of twenty-four months, over four phases, the firm would deliver:

Phase 1 (two months):

1. Elaborated timbuktoo Fund Structure and Detailed Design with Parent Fund and Subsidiary Hub Funds
2. Institutional framework, including legal, tax, and governance considerations
3. Situational analysis and relevant market research
4. High-level pitch deck (for phase 1)
5. Inception Work Plan and detailed project budget

Phase 2 (four months):

6. Complete set of detailed Fund strategy and planning materials
7. Detailed investment pitch materials
8. Detailed fundraising strategy
9. Identify and profile key potential Parent Fund and Hub Fund co-investors
10. Financial model, portfolio structuring, and forecasting
11. Impact modeling and M&E indicators

Phase 3 (six months):

12. Investor road shows and follow-up negotiations for Parent Fund
13. Successfully obtain firm commitments for at least 30% of the total Parent Fund target
14. Complete set of Parent Fund foundational documents
15. Parent Fund Manager Requirements
16. Bid and Selection of Parent Fund Manager
17. Set up Parent Fund

Phase 4 (four months):

18. Investor roadshows and follow-up negotiations for private Hub Fund co-investors
19. Successfully obtain firm commitments for at least 50% of target Hub fund co-investment amounts

Phase 5 (eight months):

20. Setup up to ten (10) Hub Funds with initial Parent Fund investment and private co-investors
21. Establish oversight mechanisms for selected Hub Fund Managers
22. Support initial operations of funds

IV. METHODOLOGY / APPROACH OF THE SERVICE (WORK)

The assignment would take place in five phases over twenty-four months:

Phase 1. FINE-TUNE CORE PROPOSITION (2 months)

The key objectives of Phase 1 are to validate and refine the starting model of timbuktoo in order to produce a set of inception materials, including a high-level pitch deck for initial use that is based on:

- Situational Analysis and research on relevant pan-African financing initiatives for startups
- Funding flow review of relevant pan-African financing initiatives for startups
- Review of legal, policy, and regulatory frameworks relevant for timbuktoo
- Elaboration and validation of the timbuktoo model
- Highlight existing opportunities and gaps to inform the setting up of timbuktoo, through detailed market mapping and consultations with key stakeholders
- High level Pitch Deck
- Inception Work Plan and detailed project budget

Phase 2. STRATEGY & PLANNING (4 months)

The key objectives of Phase 2 are to intensively drill down into the details of the Fund structure and design and to prepare for launch of fund-raising with key partners, with activities involving:

- Identify relevant funders/investors in the potential Hubs
- Identify relevant other ecosystem stakeholders in the potential Hubs
- High-level review of market sizing
- Develop investment strategy (structure, mandate, criteria)
- Determine pipeline development and prioritization
- Develop appropriate institutional framework
- Outline the Parent Fund and Hub Funds Objectives
- Design the Parent Fund and Hub Funds structure and identify pros and cons of the structure and how to mitigate the cons
- Define the Parent Fund and Hub Funds parameters
- Develop the Financial Model
- Develop the Impact Model
- Define the M&E approach and operational guidance
- Identify relevant public and private partners
- Assess suitable types of investors
- Develop investor lists for both Parent Fund and Hub Funds
- Prepare high-quality pre-roadshow materials (pitch decks, prospectus etc)
- Develop target investor database for both Parent Fund and Hub Funds
- Prepare detailed investor outreach plan for both Parent Fund and Hub Funds

Phase 3. PARENT FUND CREATION (6 months)

Based on the careful preparations and background materials developed in previous phases, the core objective of Phase 3 is to successfully implement fund-raising and establishment of the Parent Fund, with the following activities:

- Conduct investor roadshows: fundraising meetings/events with key anchor investors for the Parent Fund
- Follow up with negotiations with investors and oversee preparation of key foundational investment documents
- Obtain commitments at least 30% of the target Parent Fund amount
- Conduct Parent Fund Manager Bid and Selection
- Launch of Parent Fund

Phase 4. HUB FUNDS CREATION (4 months)

Following the launch of the Parent Fund in Phase 3, the objective of the 4th phase is to fundraise among co-investors for the subsidiary Hub Venture Funds in up to 10 African cities, with anchor investment from the Parent Funds, and their own private co-investors. This phase entails the following activities:

- Investor Roadshows & Fundraising for up to 10 Hub Funds from private co-investors
- Follow up with negotiations with investors and oversee preparation of key foundational investment documents
- Obtain commitments of at least 50% of the target Hub funds co-investment amounts

Phase 5. HUB FUNDS OPERATIONS (8 months)

Based on efforts in Phase 4, the objective of the 5th and final phase is to operationalize the subsidiary Hub Venture Funds. This phase entails the following activities:

- Conduct Bid and Selection for up to 10 Hub Fund Managers
- Launch up to 10 Hub Funds

V. LOCATION, DURATION AND TIMEFRAME OF THE WORK /DELIVERABLES/OUTPUT

This consultancy assignment will be home-based and for a period of a maximum of twenty-four months.

VI. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

The firm will be under the overall and direct supervision of the UNDP Regional Programme Coordinator in Regional Service Center for Africa, based in Addis Ababa, Ethiopia, but will work closely with the project team in UNDP Regional Bureau for Africa, based in New York, USA. The firm will update and get feedback from the Regional Programme Coordinator on a regular basis and will also be required to report with expected agreed upon outputs.

VII. PAYMENT MILESTONES AND AUTHORITY

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1 st Installment	Satisfactory completion of Phase 1 Outputs and Deliverables as outlined above	Regional Programme Coordinator	10%
2 nd Installment	Satisfactory completion of Phase 2 Outputs and Deliverables as outlined above	"	10%
3 rd Installment	Satisfactory completion of Phase 3 Outputs and Deliverables as outlined above	"	20%
4 th Installment	Satisfactory completion of Phase 4 Outputs and Deliverables as outlined above	"	20%
5 th Installment	Satisfactory completion of Phase 5 Outputs and Deliverables as outlined above	"	40%

VIII. MINIMUM ORGANIZATION AND CONSULTANCY TASK FORCE REQUIREMENTS

9.1 Minimum Organization Requirements

- The prospective International Consultancy Firm should have considerable experience and recognized track record in Fund Structuring and Strategy Development, Fundraising Strategy, and Fund Mobilization, with a **minimum of 5 years** in relevant or related work with reputable clients;
- The prospective International Consultancy Firm should have considerable experience working in Africa and have strong demonstrable knowledge of Venture Capital, Startup Ecosystems, and Investment landscape and key actors in Africa;
- The proposed team of experts should have individual and collective expertise and training in Corporate Finance; Business Analysis; Transaction Advisory; Investment Analysis, Investment Law, Tax, and/or related fields.

9.2 Team Leader

Academic Qualification:

- ✦ Minimum Master's degree or commensurate experience in Corporate Finance; Business Administration; Transaction Advisory; Investment Analysis, and/or related field.

Experience:

- ✦ 10 - 15 years relevant experience in investment fund structuring, fund management, and fundraising, and strong capability in communication and presentation skills.
- ✦ Demonstrable experience in early-stage venture capital and startup ecosystems in Africa.

Competencies:

- ✦ Ability to provide general leadership and direction to the study/research analysis and report writing;
- ✦ Excellent research and advocacy skills relating to the area
- ✦ Strong organizational skills;

- ✦ Strong communication skills;
- ✦ Proficiency in English

9.3 Team Members (minimum of four experts)

Academic Qualification:

- ✦ Minimum Bachelors degree in Corporate Finance; Business Analysis; Transaction Advisory; Investment Analysis, Investment Law, Tax, and/or related fields.

Experience:

- ✦ 5-7 years of professional experience in fund structuring, fund management, and fundraising, and strong capability in communication and presentation skills.

Competencies:

- ✦ Ability to work under pressure and to deliver in a timely manner without compromising quality standards;
- ✦ Strong communication skills;
- ✦ Strong interpersonal skills;
- ✦ Proficiency in English

IX. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the Procurement Notice, qualified Consultancy Firm is expected to submit both the Technical and Financial Proposals. Accordingly; the firm will be evaluated based on Cumulative Analysis as per the following conditions:

- ✦ Responsive/compliant/acceptable as per the Instruction to Bidders (ITB) of the Standard Bid Document (SBD), and
- ✦ Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
 - a. Technical Criteria weight is 70%
 - b. Financial Criteria weight is 30%

X. LOGISTICAL SUPPORT

The firm will be home-based with expectation to travel, if required.

XI. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL

For purposes of generating proposals whose contents are uniformly presented and to facilitate their comparative review, a Service Provider here below is given a proposed Table of Contents. Accordingly; your Technical Proposal document must have at least the preferred content as outlined in the RFP Standard Bid Document (SBD).

XII. CONFIDENTIALITY AND PROPRIETARY INTERESTS

The consultants shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy or the Government without prior written consent. Proprietary interests on all materials and documents prepared by the consultants under the assignment shall become and remain properties of UNDP. This assignment will be administrated by the United Nations Development Programme (UNDP), and all relevant UNDP rules, policies and procedures will apply.

HOW TO APPLY

It should be submitted through <https://etendering.partneragencies.org> search for **Event ID ETH2971RE**

PROPOSED STANDARD TECHNICAL PROPOSAL EVALUATION CRITERIA

Herewith please find the **Standard Technical Proposal Evaluation Criteria** along with respective allocated weight template for Requester's subsequent review.

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1	Expertise of Firm / Organization	35%	350
2	Proposed Methodology, Approach and Implementation Plan	40%	400
3	Management Structure and Key Personnel	25%	250
TOTAL		100%	1000
Technical Proposal Evaluation (FORM I)			
Expertise of the Firm / Organization			Points Obtainable
1.1	Reputation of Organization and Staff / Credibility / Reliability / Industry Standing		50
1.2	General Organizational Capability which is likely to affect implementation - Financial Stability - Loose consortium, Holding company or One firm - Age/size of the firm - Strength of the Project Management Support - Project Financing Capacity - Project Management Control		90
1.3	Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills.)		15
1.4	Quality assurance procedure, warranty		25
1.5	Relevance of: - Specialized Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region - Work for UNDP/ major multilateral/ or bilateral programmes		170
SUB TOTAL			350
Technical Proposal Evaluation (FORM II)			
Proposed Methodology, Approach and Implementation Plan			
2.1	To what degree does the Proposer understand the task?		30
2.2	Have the important aspects of the task been addressed in sufficient detail?		25
2.3	Are the different components of the project adequately weighted relative to one another?		20
2.4	Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal?		55
2.5	Is the conceptual framework adopted appropriate for the task?		65
2.6	Is the scope of task well defined and does it correspond to the TOR?		120
2.7	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?		85
SUB TOTAL			400

Technical Proposal Evaluation (FORM III)		
Management Structure and Key Personnel		
3.1	Team Leader	
	General Qualification	
	Suitability for the Project	
	- International experience	40
	- Professional experience in the area of specialization	60
	- Knowledge of region	40
	- Language qualification	30
SUB TOTAL		170
3.2	Team Members (Minimum Four Experts)	
	General Qualification	
	Suitability for the project	
	- International experience	10
	- Professional experience in the area of specialization	30
	- Knowledge of the region	20
	- Language qualification	20
SUB TOTAL		80
Aggregate		1000