

LOT 6: Innovative financing for Development

PART A - EXPERTISE COMMON TO ALL LOTS

Each lot is expected to support and advise Commission services (Headquarters and EU Delegations) and/or Partner Countries/Organisations along the entire cycle of operations (from design to implementation and evaluation of EU interventions) by providing technical inputs and by assisting in carrying out analysis, studies and providing opinions and advice. To this end, each lot should incorporate expertise related to a number of horizontal aspects/tasks, such as:

- a) Analytical studies (e.g. feasibility studies, institutional/stakeholder analysis, political and economic analysis, strategic environmental assessments, environmental impact assessments, climate risk assessments, intervention logic and logical framework approach/theory of change, economic analysis, data collection and analysis, performance measurement and indicators, monitoring and evaluation systems¹). This will also include mainstreaming of crosscutting issues (climate change, environment, resilience, youth, gender², disabilities and more broadly rights based approach), analysis of legislation, regulations and law enforcement, legislative gap analysis, etc.
- b) Policy-related analysis (e.g. gender analysis, do- no-harm and conflict- sensitivity analysis, religious dynamics assessments) and design. This will also include mainstreaming of crosscutting issues.
- c) Technical inputs (e.g. technical annexes for works and supplies)
- d) Evaluation of offers; assessment of grant proposals
- e) Evaluations (e.g. mid-term, final and ex-post, impact evaluations, including of budget support programmes)
- f) Public financial management and domestic revenue mobilisation, including at sector level and at subnational government level
- g) Investment financing
- h) Capacity development and institutional strengthening
- i) Training and research
- j) Awareness-raising (incl. information and communication)

TECHNICAL DESCRIPTION

1. Economic, financial, technical and legal experts on Finance Products and Structures (different forms, different objectives)

- 1.1. Structured Funds
- 1.2. Project Finance and Public Private Partnerships
- 1.3. Corporate Finance
- 1.4. MSME (Micro, Small & Medium Enterprises) Finance
- 1.5. Equity, quasi-equity, mezzanine finance products
- 1.6. Guarantee, insurance, and other risk sharing mechanism (set-up and management)
- 1.7. Risk (public, commercial; financial, non-financial) analysis and assessment, rating methodology, risk pricing for finance products and structures; risk management and portfolio approaches for self-sustainable finance solutions; risk tranching/ layering/ water fall mechanisms; risk mitigation vs. risk-sharing
- 1.8. Local currency finance
- 1.9. Disaster risk reduction finance mechanism, resilience enhancing mechanisms
- 1.10. Bonds and securitisation

2. Economic, financial, technical and legal experts on Financiers/Risk Takers

- 2.1. Role of private sector investors: international, national, local
- 2.2. Role of local finance markets, local banks, micro finance institutions
- 2.3. Role of export credit agencies
- 2.4. Role of insurance industry (international, national)
- 2.5. Role of institutional investors (public, private, pension funds)

3. Economic, financial, technical and legal experts on Markets and financing needs/gaps

- 3.1. Public policy objectives (development impact) and private market interests (profits)
- 3.2. Definition of markets and of market failure
- 3.3. Definition and assessment of additionality, crowding-in and crowding out
- 3.4. Assessment of economic and financial viability vs. need for grants; financial and economic project sustainability
- 3.5. Rationale for the use of grants as incentives/to fill gaps: investment grants, interest- rate subsidies, technical assistance, fee/premia cost cover subsidy

4. Economic, financial, technical and legal experts on Policy Issues

- 4.1. Operationalizing Addis Abeba: public resource mobilization through infrastructure investment and job creation/taxable revenue generation; domestic and international private business support and finance
- 4.2. Debt, debt sustainability, and concessionality
- 4.3. Public investment/asset management
- 4.4. Sovereign bonds, the future of Paris Club in light of capital market investors
- 4.5. ODA (Official Development Assistance), TOSSD (Total Official Support for Sustainable Development) and other OECD DAC (OECD Development Assistance Committee) issues
- 4.6. Blended finance

5. Economic, financial, technical and legal experts on Legal, institutional and procedural issues

- 5.1. Legal and institutional framework/environment
- 5.2. Regulatory, legal and institutional bottlenecks for investments
- 5.3. Legal documentation and templates of finance products and structures including guarantees, insurances, other risk sharing mechanisms as well as of EU funded grants, financial instruments and budgetary guarantees under the EU financial regulation and other EU legislation as used in blended finance
- 5.4. Effective indicators, results monitoring, impact assessment