



## **TECHNICAL SPECIFICATIONS – TERMS OF REFERENCE CONSULTING SERVICES**

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## **Regarding the service**

“Identification of opportunities for interventions to support  
SMEs and entrepreneurs in Angola”

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## ARTICLE 1. Presentation of the Service Prescripteur

The SYF division is responsible for promoting the development of sustainable, inclusive and accountable financial systems. It supports the transformation of financial systems practices to influence development trajectories. To do this, it mobilizes all the AFD's financing tools for the benefit of the wide variety of public actors that make up financial systems: development banks or commercial banks, microfinance institutions, specialized financial institutions, but also central banks, supervisory authorities, states, NGOs.

## ARTICLE 2. Subject matter of the contract

The overall objective of this study is to identify opportunities for AFD's intervention in support of public policy to strengthen the entrepreneurial ecosystem in Angola.

## ARTICLE 3. Mission context and objectives

### Mission context:

Economic diversification and the creation of opportunities for Angolans are among the government's priorities in the National Development Plan (PND) 2023-2027. One of the pillars of this plan is human capital development through education, employment and entrepreneurship. To this end, the government has introduced reforms aimed at stimulating local entrepreneurship and strengthening the innovation ecosystem, with a particular focus on youth employment through information and communication technologies (ICTs).

The entrepreneurial ecosystem in Angola is still emerging and fragile, but it is progressing thanks to initiatives such as the Founder Institute Luanda, Bantu Makers and the government's Digital.AO. Despite this economic and social potential, Angolan entrepreneurs face several obstacles:

Legal framework insufficiently adapted to entrepreneurship;

An unfavorable business environment for the creation of start-ups and SMEs (heavy bureaucracy);

Lack of support and mentoring in critical phases of business development;

Limited access to financing, including pre-seed and start-up funds;

Lack of management training and entrepreneurial culture (only three universities have an incubator);

Limited digital infrastructure (only 36% internet penetration), hampering adoption of digital solutions critical to business growth.

Despite these efforts, entrepreneurship in Angola remains constrained by historical and structural factors. The high dependence on oil exports has held back local production, and the lack of market-oriented training is a major obstacle to a sustainable entrepreneurial ecosystem.

However, the Angolan youth represent an asset for the development of the digital economy. Promoting an entrepreneurial culture and improving digital skills education is crucial to meeting the growing demand for talent in this sector.

As part of the NDP 2023-2027, the government has defined a 10-year national strategy for higher education, science, technology and innovation. This initiative aims to improve the quality of learning, strengthen institutional capacity and modernize technological infrastructure. It includes the following:

- Training in entrepreneurial and digital skills.
- The creation of incubator facilities in all universities.

Under the aegis of the Ministry of Commerce and Industry, the National Institute for Small and Medium-sized Enterprises (INAPEM) is responsible for coordinating entrepreneurial initiatives and developing a national strategy for entrepreneurship. It is based on six pillars:

- Strategy formulation.
- Improvement of the regulatory framework (including a "Start-up Act").
- Development of entrepreneurial education.
- Access to finance.
- Promotion of innovation.
- Strengthening and promoting entrepreneurial culture.

*This strategy is based on public consultations and ecosystem assessment studies conducted by IFC and Startup Genome.*

*Since 2021, AFD has been funding a technical cooperation program (FEXTE – €1 million) to support the creation of an entrepreneurship and innovation program at Óscar Ribas University. With the support of Schoolab and EMLyon, this program has four main objectives:*

- i. Creation of a master's degree in entrepreneurship and innovation;*
- ii. Development of an incubation program and support for three cohorts of businesses;*
- iii. Setting up a Junior Company;*
- iv. Development of a Fablab, funded by TotalEnergies.*

*This program, a first in Angola, has received positive feedback and strengthens the entrepreneurial ecosystem. Building on this success, AFD wants to deepen its commitment through the Choose Africa 2 initiative, a grant and loan.*

*The Choose Africa initiative is a concrete step towards fulfilling a commitment made by the President of the French Republic in November 2017, in Ouagadougou, to support entrepreneurship and innovation in Africa. It brings together under one umbrella brand the tools for financing, support and promotion of the business environment that are implemented by AFD Group teams dedicated to supporting SMEs and start-ups in certain countries in Africa. In this context, the initiative is embarking on a second phase for the period 2023-2027, involving an investment of €3.5 billion. In this second phase, Angola will be a priority country for future projects under the initiative.*

*Specific objectives:*

*By integrating a gender-sensitive approach and environmental and social issues into all the work of the study, it will have to take into account:*

- The current priorities of the Angolan government, as set out in the strategic corpus that sets out this public policy;*
- The mandate of AFD in Angola and the financial instruments at its disposal;*
- Existing programmes/mechanisms to support SMEs and entrepreneurs, whether they are financial (guarantee funds, dedicated credit lines, public bank programmes) or non-financial (training, coaching, certification and technical assistance services).*

*The study will aim to design a structuring project combining these levers in order to strengthen the effectiveness of public financial and non-financial support services for SMEs, improve their access to appropriate financing and create an environment conducive to their growth. The ultimate objective is to maximise the impact of these enterprises in terms of job creation and local value-added.*

*The study will aim to:*

- Specify the legal, institutional and operational framework of financial and non-financial support mechanisms for enterprises and entrepreneurship in Angola and all existing programs of the government and international donors to support them,*
- Identify the opportunities for AFD's intervention, in terms of complementarity, added value so that AFD can engage in a discussion with the Angolan government and potential partners, specifying the scope, the objectives and implementation modalities of the identified project, and*
- Develop a draft document detailing the technical components, specific activities, human resources, budget, risks, logical framework, etc.*

*It will be necessary to highlight each time the complementarity and coherence with the actions carried out in the framework of the programmes already in place with the World Bank, the African Development Bank and the European Union, in particular.*

## **ARTICLE 4. Expected delivery**

### **Phase 1: Updated contextual and market study, and first structuring of the project (firm tranche)**

The main objective of this first phase is to validate the existence of investment potential in the entrepreneurship and TPME sector in Angola, to specify its characteristics, opportunities and constraints, the institutional and financial aspects.

Based on the many documents already available (published by the Angolan authorities, notably in the context of their national policy for economic diversification), interviews with stakeholders and possible field missions, the study should focus more specifically on:

- **Validation of an investment market in the entrepreneurship and TPME sector in Angola;** identification of sectors and channels representing the most promising investment potential (agriculture, technology, etc. except the oil and gas sectors to be excluded from the project scope), data and profiles of start-ups and SMEs in these sectors as well as their sectoral and geographical distribution; prioritisation of projects, Sectors and market segments; identification of priority targets not adequately served by financial systems; segment-specific financial and non-financial needs.

**Identifying existing barriers to financing for entrepreneurship projects and SMEs**, whether they are financial (guarantees, conditions of access to credit), technical (lack of skills, access to education and training), or related to the regulatory and institutional framework (legal barriers, limited access to information and networks).

- **Analysis of existing initiatives and resources in support of entrepreneurship and TSMEs, according to their characteristics (institutional, national and regional, public and private local expertise available, national and international donors) :** updating the mapping of ongoing programmes by national and international actors (public, private, associative actors, support programmes financed by partners) ; Identification of potential complementarities and overlaps between initiatives to optimize coordination and avoid duplication. It will be necessary to analyse, among others, the programmes already in progress with the World Bank, the African Development Bank and the European Union.
- **Analysis of the gaps between the existing financial and non-financial support services offered and the priority needs identified;** identification and prioritisation of existing market failures, including in terms of financial and non-financial support services.
- **Analysis of the financial services offered by Angolan financial institutions;** mapping of financing offers by financial institutions in favour of start-ups and SMEs (resources and terms of loans, products offered, interest rates, maturity, geographical scope, segments and sectors of TPME covered); analysis of the obstacles to financing this type of project (technical, financial, institutional, etc.) including the skills of financial institutions identified to assess the risks and business models of this type of projects; analysis of the funding gap for start-ups and SMEs and the absorption capacities of banks and the market, to identify any limits on an increase in the supply of financing. Concrete recommendations to address priority market needs.
- **Based on the analyses detailed above, the study will propose one or more options for AFD's intervention for discussion with the Angolan authorities.** The aim will be to highlight the complementarity of the option or options with existing programmes, the added value provided by the proposed approach and the feasibility of intervention according to the proposed actors and/or partners. This proposal **will specify the amount and appropriate financial instrument of a possible project (sovereign loan and possible subsidy) as well as an indicative operating scheme (institutions in charge of the work, fiduciary scheme showing financial flows and contractual relations).** The study will propose a first outline of technical and financial eligibility criteria for investments in the start-up and TPME sector.
- **The study will in particular analyse the needs for financing and technical assistance of the partner financial institution or institutions and project promoters;** determine, based on the analysis of the context and the obstacles identified, the accompanying measures of a financing offer that allows to promote the emergence of projects corresponding to the objectives of the project and to guarantee their «bancability». The phase 1 study will propose a first outline of the activities envisaged for this technical assistance component (content, organization and target audience and indicative cost).

- **The identification of a local structure or structures to carry and host technical assistance which will then be deployed with stakeholders and validation of the interest of these structures to provide this technical assistance. This structure itself could be strengthened to ensure its role during and after the project. The consultants will propose one or more entities to perform this role, highlighting for each of them the strengths and weaknesses within the framework of the project's objectives and highlighting the willingness and capacity of these structures to provide technical assistance.**

## **Phase 2: Feasibility study and detailed project structuring (optional segment)**

The second phase of the study will depend on a joint decision between the Angolan authorities and AFD to continue the investigation of the identified project. This phase of the study will determine the technical, economic and financial feasibility of the project, and more specifically:

- Propose an adequate structuring and organizational plan of the project detailing the different components (objectives, activities, budget), the operational mode of implementation, the modalities of management of the project in view of the potential and existing constraints;
- Refine, on the basis of phase 1 work, the eligibility criteria (technical, financial) for the investments to be financed;
- Describe the project implementation modalities, including: the funding allocation modalities, the actors involved (state, financial partner institutions, final recipients), the eligibility conditions of the funded projects, as well as the monitoring and evaluation framework for the impact of the loan. Refine, based on the work of phase 1, the needs and costs for technical assistance to support different stakeholders and detail the possible organization;
- Propose a project implementation schedule and budget detailing the costs of the different phases and components;
- Perform an analysis of the risks (technical, market, commercial, financial and counterparty) and the mitigation measures to be implemented;
- Propose a logical framework and expected (measurable) results and impacts;  
Recommend the reporting and monitoring system of the project, meeting the requirements of AFD and the constraints of financial and technical institutions that will be in charge of the project.

As regards technical assistance (TA), once the structure in charge of the management of this technical assistance has been identified and validated at the end of phase 1, the study will have to:

- Identify the detailed needs of Technical Assistance and list the activities to be provided by the Technical Assistance, accompanied by a budget per component and an implementation schedule.
- Specify the methodology and organization of each TA component.
- Regarding the entity that will host the TA: detail its organization and its capacity to manage the TA, its personnel (qualifications, experience in managing similar projects), internal procedures, procurement. Provide DFS with recommendations to optimize the success and sustainability factors of the project. Identify risks and possible mitigation measures.
- Identify possible contributions from this structure (logistics, office, vehicles, administrative, personnel, etc.)
- Detail the support to be provided by the study office which will eventually be in charge of technical assistance.
- Develop a logical framework (overall, specific objectives, expected project results, activities required to achieve them) and a monitoring-evaluation system (monitoring and performance indicators associated with the project) for all project components.

## **TRANSVERSAL THEMATIC ISSUES TO BE TAKEN INTO ACCOUNT:**

All the elements of the diagnosis and the recommendations that result from it should take into account the following specific issues:

- **Gender:** particular attention will be given to activities that support companies contributing to gender equality.
- **Environmental and social issues:** special attention will be paid to activities that support companies contributing to climate change mitigation, biodiversity conservation, Reducing inequalities and including vulnerable populations.

## **Phase 3: Project documentation (optional portion)**

The third phase of the study will depend on a decision to grant DFS for the identified project. This phase of the study will have to produce documents for launching the project, and in particular:

- Formalise and have the Terms of Reference (ToR) of the technical assistance services defined by the project validated by the authorities and AFD, in order to launch the TA contract for the project;
- Propose and have a project procedures manual validated, integrating all components and stakeholders;
- Refine the diagnosis of the project management (or project management) capabilities for the start-up of the project and propose a capacity building programme;

## **ARTICLE 5. Deliverables expected**

### Expected deliverables:

- Deliverable 1 (L1): 1st Phase 1 Report: Diagnostic and market research report on the start-up and TPME sector in Angola (market potential assessment, mapping of existing initiatives, identification of existing barriers, assessment of supply-demand gaps, etc.)
- Deliverable 2 (L2): 2nd Phase 1 Report: Intervention proposals and accompanying models
- Deliverable 3 (L3): Final Report Phase 1: Consolidation of Final Analyses and Recommendations
- Deliverable 4 (L4): Draft Report Phase 2: Detailed feasibility study, financial and technical structuring, project governance
- Deliverable 5 (L5): Final Report Phase 2: Adjustments and final validation of the Project
- Deliverable 6 (L6): Phase 3- Diagnosis of the capacities of the project management and proposal of Terms of Reference of the Technical Assistance (TA)

The deliverables will be systematically delivered accompanied by a summary of no more than 5 pages, covering all the points to be addressed, in two versions, Portuguese and French or English.

### Criteria for validation of deliverables:

The quality of deliverables will be assessed according to the following criteria:

- The clarity and readability of the deliverable
- Respect of deadlines
- Compliance with the scope of the service requested
- The operational nature of deliverables conclusions
- The ability to synthesize.

### Deliverables validation process:

Upon receipt of the deliverables, AFD and the Angolan authorities will have 15 working days to validate or not the deliverables. If AFD or the Angolan authorities wish to modify the deliverable, they will send their comments to the consultant within 15 working days of receipt. The consultant will have 7 business days to reflect these comments in the deliverables and produce a new version. This process may be repeated until AFD and the Angolan authorities are satisfied with the deliverables. The deliverable will only be validated upon AFD's decision.

## **ARTICLE 6. Mode of execution**

### **6.1 Expected methodology**

The service provider may propose the methodology deemed most appropriate to carry out its activities, in agreement with the head of the mission.

### **6.2 Special requirement for completion / Conditions of execution**

The mission will be carried out under the overall direction of AFD. The Contract will be signed between the Consultant and AFD.

### Overall management of the mission:

A kick-off meeting will be held at the beginning of the mission, in the presence of the Consultant, the Angolan authorities and AFD. On the same basis, a concluding meeting will be organized at the end of the mission, during which the key points of the deliverables will be presented by the Consultant and validated by AFD and the Angolan authorities.

#### Deliverables:

All deliverables must be sent in Portuguese and French or English to the email addresses that will be shared at the kick-off meeting.

An early draft of each deliverable must be submitted electronically. Electronic copies must be sent by email to the above e-mail addresses. The consultant will always be in direct communication with the AFD team regarding the deliverables; AFD will be in charge of the discussion with the Angolan authorities and the consolidation of comments on the preliminary versions.

A final version of each deliverable must be submitted in electronic form after the comments from the Angolan authorities and AFD have been incorporated. At the end of the mission, DFS will validate the final deliverables.

#### Content of the proposal

The technical proposal must not exceed 15 pages (excluding annexes and CVs) and must include:

- A section where the consultant explains his understanding of the objectives of this consultation and, if necessary, proposes improvements;
- A methodological note describing the approach proposed by the consultant according to the types of actors (financial or non-financial support) and partners to meet, and the organization of the team;
- A work programme describing the main activities proposed, their content and duration;
- Experience of the firm (similar consultancies over the last five years) and proposed team with detailed profile, roles and organization (CV of the proposed team including number of years of professional experience within the company and function, assignments carried out in the last five years).

- *Use of language*

A perfect command of the Portuguese and French or English language will be required.

### **6.3 Execution schedule**

The overall mission will be carried out under the general direction of AFD. The contract will be signed between the consultant(s) and AFD. The mission will require between 130 and 140 man-days of expertise over a maximum period of six (6) months across all three phases and is expected to begin no later than early April 2025.

The indicative timetable for the study will be as follows:

Phase of the study	Key Steps	Dates (indicative)
Phase 0	Refined methodology and intervention schedule validated by AFD	Maximum 10 business days after signature
	Kick-off meeting (kick-off) in Paris or by videoconference (consultants, AFD Paris, AFD Luanda, Angolan authorities) based on a refined methodology of the consultant	Maximum 15 business days after signature
Phase 1	L1: 1 <sup>st</sup> Report Phase 1: Diagnostic and market study report on the start-up and TPME sector in Angola: evaluation of market potential, mapping of existing initiatives, identification of existing barriers, evaluation of gaps between supply and demand	15 working days after Kick-off
	L2: 2nd Phase 1 Report: Proposals for intervention and accompanying models	25 working days after Kick-off



	Debriefing workshop Phase 1: presentation and validation of recommendations	Maximum 5 business days after 2nd report
	L3: Final Report Phase 1: consolidation of the final analyses and recommendations	Maximum 5 days after debriefing workshop
Phase 2	L4: Draft Phase 2 Report: detailed feasibility study, financial and technical structuring, project governance	Maximum 2 months after activation phase 2
	Validation mission in Angola: presentation of findings to stakeholders	Maximum 2.5 months after activation phase 2
	L5: Final Phase 2 Report: Adjustments and Final Project Validation	Maximum 3 months after activation phase 2
Phase 3	L6: Diagnostic of the capacities of the project owner and Terms of Reference of the Technical Assistance (AT): draft and final version	To be defined according to the progress – Maximum 20 working days after activation of phase 3

The deadlines for each phase may be adjusted by the consultant and specified in the Contract. If the firm is not based in Angola, the study will require travel of the consultant to Angola.

## ARTICLE 7. Competencies expected from the Service Provider

The consultant will be a consulting firm/office or group of individual consultants with relevant experience in all areas necessary to carry out the mission as described above, including relevant sectoral and regional experience.

The consultant team should be able to demonstrate documented knowledge or experience in:

- The vision, policies and strategies of the Government of Angola in support of entrepreneurship and SMEs;
- Entrepreneurial ecosystem in Angola;
- Capacity building in southern Africa on financial and non-financial support for entrepreneurship and TSMEs;
- Expertise on structuring financial tools;
- Integration of gender and environmental and social dimensions in development projects in southern Africa.

To meet these requirements, the consultant team should include at a minimum the following expertise:

- Expertise support for SMEs, start-ups and entrepreneurs;
- Banking expertise, financing of SMEs (including guarantee schemes), financial inclusion;
- Gender Expertise;
- Environmental and social expertise.

A professional experience of 7 to 10 years in supporting SMEs, entrepreneurship and business financing, especially in Africa (ideally in southern Africa) would be a significant asset.

Experience in the appraisal or implementation of projects financed by multilateral donor and experience in setting up or intervening on a project to support entrepreneurship in Angola would be an asset. Providing local expertise relevant to the study would also be a strong asset. A perfect command of the Portuguese and French or English language will be required.