



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

Date: **13 May 2015**

Country: Republic of Moldova

Description of the assignment: National consultant to develop the (a) RIA on the prospective Law on the Venture Capital and, as follow-up, of the (b) draft Law on the venture capital in line with existing European best practices

Project name: Innovation among business start-up and SMEs in post-incubation phase

Period of assignment/services: up to 50 working days

Proposals should be submitted by pressing the "Apply Now" button no later than [May 20, 2015](#).

Requests for **clarification only** must be sent by standard electronic communication to the following e-mail: dumitru.vasilescu@undp.org. UNDP will respond by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all applicants.

1. BACKGROUND

Human development in Moldova: snapshot

According to 2014 GHDR, Moldova's HDI value for 2013 was 0.663¹ - positioning the country in the medium human development category at 114 out of 187 countries and territories. Between 1990 and 2013, Moldova's HDI value increased from 0.645 to 0.663, an increase of 2.8 percent or an average annual increase of about 0.12 percent. The country may have achieved higher HDI, but mainly due to the income component of the HDI, the progress made is insufficient, particularly compared to other CIS countries. When discounting Moldova HDI for inequality, the HDI falls to 0.582, a loss of 12.2 percent due to inequality in the distribution of the dimension indices. Poverty, decent jobs, rural vs. urban divide in terms of development, uneven access to some social services, social exclusion of certain groups of population and their structural vulnerability, all negatively affect some positive MDG-related achievements. Although poverty decreased steadily in the recent years, around 84% of all poor reside in rural areas and the situation has in fact been worsening. Rural households are still much dependent on remittances and incomes from traditional agriculture, thus extremely vulnerable to external factors and climate shocks. The recent economic growth was largely jobless, as shown by the rather stagnating number of new jobs available on the local labour market in Chisinau and almost inexistent new jobs in

¹ <http://hdr.undp.org/en/countries/profiles/MDA>

the regions. The development of the labour market is to a large extent slow, vast majority of available jobs being concentrated in Chisinau, while the offer in the regions is poor or inexistent.

The project Innovation among business start-up and SMEs in post-incubation phase is aligned to the current strategic outlook of/for UNDP at global and national level. It will consistently contribute, through the promotion of innovations and focus on sustainable impacts, towards the achievement of the Outcome (a) Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded, through adherence to the main principles of national ownership and capacity building, sustainable human development, gender equality, participation and voice, among others.

Project partners identified a series of specific **constraints** to more entrepreneurial activity in the regions, including lack of local consultative support for promotion of innovations² in start-ups and business development in post-incubation phase; lack of financial instruments to match-up existing local resources in private sector for development of innovative businesses, including those graduating existing business incubators; lack of local partnerships between private and public sectors to promote investment in small and mid-sized innovative social projects, as extensions to existing innovative businesses and weak capacities of LPAs to promote innovations for business. Particularly as it regards the regions of Moldova, innovative entrepreneurship and business development is a **feasible solution** to address the above outlined reasons and perceived constraints so that to enhance competitiveness and increase corporate profits that can be further re-invested, create new and more sustainable jobs at community level, increase capacity of households to cope with increasing food prices through increased incomes, and minimize emigration and brain drain. Several economic sectors have untapped potential where new interventions may bring about positive results and more resilient local communities and people, in particular, HVA and green agriculture, waste management and renewable energy, IT and tourism business.

Innovations' state of play in Moldova

SMEs in Moldova have rather limited access to innovations, including finance to innovate, knowledge-sharing networks, among others. This stems from underdeveloped legislative framework, inefficient usage of available resources, lack of coordination among various actors, wide spread of responsibilities between different entities, lack of comprehensive M&E framework to monitor and evaluate progress in promotion of innovations. Above all, the concept of "innovations" is yet not fully understood and interpreted in a very narrow sense, merely only in terms of patented technological improvements or scientific discoveries. The new Strategy on innovations, elaborated by the Government and supported by UNDP, brings important changes to the current set-up and the proposed policy measures are fully aligned and will support the implementation of the Moldova 2020 Strategy. Given the above, as well as a clear lack of statistical evidence on promotion of innovations up until now, it is very difficult to set specific baselines. The Strategy contains a summary of the perceived needs and identified problems, which is the main source for the baselines set in the Project's RRF.

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

The specific objectives of the consultancy are, as per below.

² As understood in the National Strategy on Innovations (2013-2020)

- Develop a robust Regulatory Impact Analysis to assess the prospective impact of a new law on venture capital; based on the results of RIA, the consultant shall proceed with all of the below items;
- Analyze and share with local counterparts the experience and existing best practices in designing and implementing similar legislative acts from the EU and CIS countries;
- Draft the Law on venture capital in line with the available best practices and lessons learned from the EU and the region;
- Contribute to the national consultative process around the draft Law and finalization of the document after conducting at least one national policy workshop involving all interested and relevant counterparts;
- Expert assistance for the consultation and approval of the Law on venture capital by the Government and Parliament of the RM.

For detailed information, please refer to Annex 1 – Terms of Reference.

3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

I. Education:

- Advanced degree in Economics, in Finance and Banking or other relevant fields;

II. Years of experience:

- At least 5 years of proven analytical skills and previous experience in policy analysis, development of comprehensive analytical reports in finance and banking field; previous extensive experience in drafting regulatory acts and laws; experience in the development of the regulatory framework for the establishment and functioning of institutions that operate with financial resources, including public funds and securities, experience in conducting extensive national level consultations for validation of draft legislative documents;
- Knowledge of the EU best practices in venture financing mechanisms and relevant similar projects is an advantage;
- Knowledge of the EU regulations, including institutional, legal and policy frameworks, in the area of innovation and technological transfer, competency in the administration of financial markets is a strong advantage;
- In-depth knowledge of the national innovations system in the Republic of Moldova;
- Excellent communication and teamwork skills;

Language requirements

- Fluency in English and Romanian is mandatory. Knowledge of Russian is an advantage.

4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

1. Proposal: explaining why they are the most suitable for this position;
2. Financial proposal: in (USD, specifying a total lump sum amount and the number of anticipated working days).
3. Personal CV or P11 including past experience in similar projects and at least 3 references;

5. FINANCIAL PROPOSAL

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals the financial proposal shall include a breakdown of this lump sum amount (including fee, taxes, travel, per diems, and number of anticipated working days).

Travel

All envisaged travel costs must be included in the financial proposal. This includes all travel to join duty station/repatriation travel. In general, UNDP should not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources.

In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and Individual Consultant, prior to travel and will be reimbursed.

6. EVALUATION

Initially, individual consultants will be short-listed based on the following **minimum qualification criteria**:

- Advanced degree in Economics, in Finance and Banking or other relevant fields;
- At least 5 years of proven analytical skills and previous experience in policy analysis, development of comprehensive analytical reports in finance and banking field;

The short-listed individual consultants will be further evaluated based on the following methodology:

Cumulative analysis

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

* Technical Criteria weight – 60% (300 pts);

* Financial Criteria weight – 40% (200 pts).

Only candidates obtaining a minimum of 210 points would be considered for the Financial Evaluation.

Criteria	Scoring	Max. Points Obtainable
<u>Technical</u>		
Advanced degree in Economics, in Finance and Banking or other relevant fields;	(MA – 25 pts., PhD – 30 pts.)	30
<u>Interview:</u>		
At least 5 years of proven analytical skills and previous experience in policy analysis, development of comprehensive analytical reports in finance and banking field;	(Less than 5 years – up to 10 pts; 5 years – 20 pts, each additional year of experience – 5 pts, up to a maximum of 40 pts.)	40

At least 5 years of previous experience in: <ul style="list-style-type: none"> • drafting regulatory acts and laws; 	(Less than 5 years – up to 10 pts; 5 years – 20 pts., each additional year of experience -5 pts.; up to a maximum 40 pts.)	40
<ul style="list-style-type: none"> • development of the regulatory framework for the establishment and functioning of institutions that operate with financial resources, including public funds and securities, experience in conducting extensive national level consultations for validation of draft legislative documents; 	(Less than 5 years – up to 10 pts; 5 years – 20 pts., each additional year of experience -5 pts.; up to a maximum 40 pts.)	40
<ul style="list-style-type: none"> • conducting extensive national level consultations for validation of draft legislative documents; 	(Less than 5 years – up to 10 pts; 5 years – 20 pts., each additional year of experience -5 pts.; up to a maximum 40 pts.)	40
Knowledge of the EU best practices in venture financing mechanisms and relevant similar projects is an advantage;	(up to a maximum 30 pts.)	30
Knowledge of the EU regulations, including institutional, legal and policy frameworks, in the area of innovation and technological transfer, competency in the administration of financial markets is a strong advantage;	(up to a maximum 20 pts.)	20
In-depth knowledge of the national innovations system in the Republic of Moldova;	(up to a maximum 20 pts.)	20
Excellent communication and teamwork skills;	(up to a maximum 15 pts.)	15
Fluency in English and Romanian is mandatory. Knowledge of Russian is an advantage.	(English – up to 10 pts; Romanian – up to 10 pts; Russian – additional 5 pts;)	25
Maximum Total Technical Scoring		300
<u>Financial</u>		
Evaluation of submitted financial offers will be done based on the following formula: $S = F_{min} / F * 200$ S – score received on financial evaluation; Fmin – the lowest financial offer out of all the submitted offers qualified over the technical evaluation round; F – financial offer under consideration.		200

Winning candidate

The winning candidate will be the candidate, who has accumulated the highest aggregated score (technical scoring + financial scoring).

ANNEXES:

ANNEX 1 – TERMS OF REFERENCES (TOR)

ANNEX 2 – INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS