

**INDIVIDUAL CONSULTANCY SERVICE
TO PREPARE A STUDY ON THE LEASING MARKET
ACCELERATING ECONOMIC DIVERSIFICATION AND JOB
CREATION PROJECT**

**TERMS OF REFERENCE
REF: 43ACS1/MINPLAN/25**

1.

The Angolan government has signed a financing agreement with the World Bank Group's International Bank for Reconstruction and Development (IBRD) for the Project to Accelerate Economic Diversification and Job Creation, to be implemented by December 2029. The project aims to improve access to finance for small and medium-sized enterprises (SMEs) in Angola, focussing on the development of specific financial products. The project is managed by the Ministry of Planning (MINPLAN), through the Project Implementation Unit (PIU).

This project comprises four pillars, of which Component 1 stands out - Favourable environment for trade, investment and financing, which includes the financial services development point

In this area, the implementation of new financial products for Micro, Small and Medium-sized Enterprises (MSMEs) should be emphasised, with the *Leasing* service having been identified as a critical product for supporting the growth of MSMEs. *Leasing* plays an essential role in building the value chain in developing economies, as it allows access to alternative sources of finance a positive impact on MSMEs' cash flow. Its dynamisation tends to have a positive impact on reducing the importance of guarantees when negotiating financing, flexibility and preserving companies' working capital.

From this perspective, for the Angolan market, there are some short and medium-term *leasing* options for companies and individuals. However, there is a need to expand and develop this service. Therefore, the economic dynamics have indicated the need to boost the *leasing* market in Angola through a study of the current state of the market and to present solutions for the development of this product/instrument in the local market.

This initiative requires a comprehensive diagnosis and strategic policy recommendations to promote an environment favourable to *leasing* in Angola. For this reason, this Terms of Reference (ToR) was drawn up for the contracting of a consultancy service to prepare this study, with the hope of clearly identifying the main market constraints to the massification of this instrument, as well as presenting a set of new products that could be implemented in our market.

2. OBJECTIVE

The aim of this initiative is to support the Angolan government in boosting the market for *leasing* products for MSMEs, with a view to providing them with additional financial options for their growth, with the following specific objectives

- Identify the main limitations and challenges associated with *leasing* in the Angolan market;
- Indicate the operation of the new mechanisms for implementing *leasing* and identify the main sectors with potential demand;
- Ensure that the solutions presented are in line with the National Financial Inclusion Strategy (ENIF) and the productivity expected of MSMEs;
- Indicate the main gains for the Angolan economy with the implementation of these new products/instruments.

3. SCOPE / METHODOLOGY

3.1. Scope of

The study will be carried out with a view to addressing the reality of the Angolan market in its national dimension. During the data collection process, the Consultant should always record the dates of data collection to facilitate archiving.

In this context, the concept of *leasing*¹ will be considered, as it is a contract that grants the right to an organisation to use an asset for a fixed period, with the possibility of purchasing it at the end of the contract. The product aims to provide access to the necessary machinery and equipment without the immediate need for total capital investment.

There are, however, two types of *leasing*:

- (1) Financial *Leasing*, in which the Lessor¹ or Financial Institution mediates between the Lessor² of the asset and the Lessee³, with the Lessee ultimately being able to opt to buy the asset for an amount already determined in the contract;
- (2) Operational *leasing*, where the contract is made directly between the owner of the asset and the client, in which the lessee normally does not intend to buy the asset at the end of the contract and so, after the period of use of the asset, the lessee can exercise the option to buy at market value

In the development of the study, the consultant should, in the project design phase, address:

- i. The Financial Institutions to align the application of the solutions presented, profiling them to the reality and short-term potential of the Angolan financial system;
- ii. MSMEs aim to ensure that the solutions presented respond to their real needs, contributing to the diversification of the economy.

Without prejudice to the above, the project should also analyse the best way of setting up leasing and assignment companies.

3.2. Methodology

The work will be carried out in close collaboration with the MINPLAN and BNA technicians assigned to the project, and to this end meetings and technical meetings will be held for alignment purposes. The

¹ *Leasing* finance company that will acquire the asset from the supplier, according to the specifics of the entity or person wishing to use the asset

² Person or organisation that makes an asset available for rent to third parties, if they own it.

³ Person or entity that uses the property of a third party, in exchange for a monthly payment agreed between the parties with an option to buy at the end

working language and the language in which all the documents produced as part of the consultancy will be recorded will be Portuguese. English may be the complementary working language, if justified.

The aim is to carry out a detailed study that allows data to be analysed and interpreted, in order to provide a broad understanding of the current diagnosis of the *leasing* market, as well as indicating solutions for its development.

The following will therefore take place:

- Survey of banking and non-banking financial institutions to obtain their views on the main challenges in creating and making available/offering *leasing* products;
- Evaluate the business models behind the creation of these products;
- Define the data collection model, which could be hybrid, face-to-face or online;
- To survey the studies and information available on the Angolan market on the subject;
- Analysing all the regulations intrinsic to the processes inherent to the activities under study.

3.3. Project Implementation (Tasks)

The contractor will carry out the project in four phases over a period of 21-25 weeks:

Phase 1: Design, planning and data collection (6 weeks)

The contractor must, in collaboration with the related authorities and the PIU, develop the project approach and draw up a plan for carrying out the study and define the work strategy for the research.

In this phase, the contractor must carry out the following micro tasks:

- Programming activities, i.e. preparing and planning the study;
- Drawing up an inventory of existing and relevant documents on *leasing* (including reports or relevant studies on the matters in question in similar countries);
- Survey of the current situation regarding access to and use of *leasing* for MSMEs;
- To analyse the existing legal and regulatory framework for *leasing* contracts in Angola, and to assess the tax treatment of these operations;
- Identify the main Angolan industries with potential *leasing* demand based on their machinery and vehicle needs;
- Define the research strategy and procedures (questionnaires, profile and sample size);
- Evaluate the existence and efficiency of secondary markets for *leased* assets, with a focus on repossession and resale by *leasing* companies;
- Identify and consult the relevant interested parties (*stakeholders*) and map them (Initial contact with the regulatory bodies involved in this study);
- Preparation of the Initial Report (for a global project).

Phase 2: Strategic Analysis/Implementation: (7 weeks)

- Carry out the surveys/data collection;
- Analysing data entry;
- Identify the needs and perspectives of all the players after mapping them;
- Identify the main constraints on the development of this market;
- Identify the risks and points of improvement for the massification of *leasing*;
- Identify and list the lessons learnt from previous studies and initiatives;
- Identify possible solutions;
- List the set of proposed new instruments and present the strategic model for their implementation;
- Make a link between the solutions presented and the priority sectors of the Angolan economy.

Phase 3: Preparation for the final report (6 weeks)

- Synthesise the results of the diagnostic assessment and stakeholder consultations.
- Preparation of the *draft* project and discussion of the main results;
- Presentation of preliminary recommendations;
- Preparation of the final report.

Phase 4: Presentation of Results (2 weeks)

- Present the results of the study to the PIU and the competent Angolan authorities;
- Present the policy notes with conclusions and recommendations
- Presentation of results at training seminars; and
- Incorporate collected comments and finalise the policy note.

4. RESULTS (DELIVERABLES)

The proposed studies are expected to present a clear and feasible strategy for the development/massification of the *leasing* market, aimed at MSMEs, via new financing instruments.

In addition, the study should present the main constraints identified for the development of this market by financial and/or non-financial institutions. The policy note should present a roadmap for development and implementation.

In this context, the project's deliverables will consist of:

i. Initial report (Immersion): Phase 1.

The consultant must provide the PIU with an initial report containing detailed information on the *leasing* framework. This report should mainly contain a component on how the study is planned and developed in its various dimensions, taking into account the following components:

- Scope, Concepts and Development of the Study;

- Methodological approach, objectives, results and products to be presented;
- The study's assumptions and challenges;
- Techniques and instruments for collecting information (data collection methodology);
- Target audience and sampling;
- Planning of activities and their timetable;
- Organisational structure of the study;
- Study management and monitoring system;
- I summarise the initial conclusions of the diagnostic evaluation (with the respective indicators for measuring success) and the stakeholder consultations.
- Expected results.

ii. Strategic Orientation Report (Interim): (Phase 2 and 3)

In this report, the consultant must present the following points:

- Main notes on the information collected;
- Main constraints facing the market (market analysis and diagnosis);
- Identify the assumptions for formulating the *leasing* massification strategy (including the performance indicators or KPIs);
- Include proposals to improve and energise current products;
- Present the list of new products to be implemented within the framework of *leasing*;
- Present the implementation strategy (in line with FIs and MSMEs);
- Draft policy note with detailed recommendations, as well as the version that includes the reactions of the interested parties and the relevant authorities.

Most of the second phase will have to be carried out face-to-face, due to the consultation with stakeholders. However, the data analysis and reporting of phase 3 can be conducted remotely.

iii. Final Report (Phase 4):

Present the results of the study (Final Report) to the PIU within two weeks of approval of the implementation strategy, as well as presenting the results at training seminars (*workshop* model).

This phase should be conducted face-to-face in order to promote direct interaction with the participants and facilitate in-depth discussions on the study's conclusions.

5. PAYMENT CONDITIONS

For the service to be provided under this study, the contracting party must pay the amount corresponding to the contract, divided into four instalments:

	Deliverable	Payment Percentage
1º	Initial Report	10%
2º	Initial report (Immersion): Phase 1.	20%

3º	Strategic Orientation Report (Interim): (Phase 2 and 3)	40%
4º	Final Report (Phase 4)	30%

Payments will be made after approval of each report/deliverable. The price paid by the contracting party will not be revised by the parties and must include all direct and indirect charges inherent in the provision of the services that are the subject of these terms of reference.

Invoices must be paid by the contracting party within 30 days of receipt by bank transfer to the contracted party's account.

6. EVALUATION PHASES

The Expressions of Interest to be received will be evaluated in two phases:

- Curriculum evaluation (compulsory);
- Interview (only for those who pass the curricular assessment);

The final assessment will be the result of weighting the score: 95% (Curriculum) + 5% (Interview)

7. QUALIFICATIONS

The aim is to hire a specialist, in the form of an individual consultant, who is proficient in *leasing* associated with MSMEs. In addition, the consultant must be available to travel to Angola during the critical phases mentioned above.

The consultant must have international *leasing* experience. However, in order to obtain specialised knowledge of the Angolan economy, they may resort to sub contracting some local services, provided this is justified and validated by the PIU. The following qualifications will therefore be required:

- Degree in Law, Economics, Finance, or related areas,
- Demonstrate strong analytical, communication and *stakeholder* engagement skills
- Be fluent in English;
- Demonstrate experience (at least 7 years) in designing, implementing and carrying out studies on new financial instruments (*leasing* and similar solutions) in developing countries;
- Demonstrate knowledge of commercial banking processes and procedures, regulations, accounting and finance;
- Demonstrate experience (at least 3 years) of working in the area of credit, with a focus on the processes of contracting these instruments.
- Demonstrate international *leasing* experience.

8. CONTRACT DURATION

The contract to be signed will be for a Fixed Amount and the task is expected to last eight months and be intermittent in nature.

9. APPLICATIONS

Interested parties may submit their applications by April 25, 2025 to the email address aquisicoes@diversificamais.ao , accompanied by the following documentation:

- a) Curriculum Vitae;
- b) Photocopy of ID card or equivalent;
- c) Photocopies of school documents.

¹ Rental