

Near East Foundation (NEF) Morocco

Consultancy: Blended Finance Structuring Study
Youth Climate Innovation Incubator Program

Terms of Reference

NEF in Morocco and the YCII program

Since 1987, the Near East Foundation (NEF) has worked with communities across Morocco to help build more sustainable, prosperous, and inclusive communities through initiatives in youth empowerment, rural livelihoods, microenterprise development, agriculture, civic engagement, and natural resource management. NEF has gained strong technical expertise to address local challenges and developed a keen awareness of the critical issues facing Morocco today.

In April 2022, NEF and its local partner, Emerging Business Factory (EBF), established the Youth Climate Innovation Incubator (YCII) in Marrakech. The initiative addressed two of Morocco's most pressing issues – climate change and youth unemployment. The YCII pilot sought to identify and nurture home-grown, innovative, youth-led business solutions to climate change impacts, with an initial emphasis on water and climate-smart agriculture. It is among the first in Morocco to provide competitively selected young entrepreneurs focused on climate resilience with access to full-cycle support to test and launch innovative business solutions to climate change challenges. It offered business training and planning, technical expertise, one-on-one mentoring, networks, start-up funding, and acceleration support to test and launch business solutions. The pilot supported 32 start-ups in the Marrakech-Safi region, 10 of which were selected for acceleration support and small grant financing. See YCII Business and Partners annexed for more details.

Since October 2023, NEF and EBF launched Growing YCII to improve and scale the YCII program. Specifically, Growing YCII will support 100 businesses in 4 regions (Marrakech-Safi, Draa Tafilalet, Beni Mellal and Souss Massa). To further support sustainability and scaling of the program-supported start-ups, NEF aims to develop a blended finance mechanism that will engage the climate innovation and entrepreneurship ecosystem and serve as a catalyst among stakeholders.

The mechanism should provide both financial and non-financial support to start-ups in their various stages of development, from the initial seed funding to larger-scale operational investments; as well as rural cooperatives that have successfully accessed markets. The mechanism should bring together government, philanthropic and private sector funding to support entrepreneurs at different stages of development, through grants, loans, and equity investment as appropriate.

YCII Blended Finance Mechanism Structuring Study

To lay a foundation for the investment facility, NEF is looking for an impact investment advisory consultant or firm to conduct an in-depth structuring study.

Scope of Work:

1. YCII programme assessment and presentation of viable financial instruments.

Using the evidence gained from the current YCII programme, the consultant will assess a range of potential products and investment modes tailored to YCII start-ups at different stages of development. For example, the acceleration phase may involve a combination of grants and loans, while the scaling phase may introduce a blend of debt and equity from impact investors. The consultant should also look into factors such as risk tolerance, return expectations, and impact goals of potential financiers.

Based on findings, the consultant will present viable financing mechanism options to NEF for their feedback and selection of most suitable approach.

Estimated deadline: 24 May 2024

2. Development of in-depth structuring study.

Upon agreement with NEF, the consultant will develop an in-depth structuring study of the selected financial instrument. The study should recommend sustainable mechanisms, embedded in the local entrepreneurial ecosystem, for fund management, governance, and accountability.

The structuring study should include:

- 1) Building a preliminary financial model
- 2) Developing a detailed operating and governance model, outcomes measurements and payment framework
- 3) Developing evidence-based framework for payment trigger metrics, including targeted outcomes, payment metrics, and verification methods.

Building on the original proposals the structuring study should identify potential donors, investors, and optimal investment modes suitable to the objectives and modalities of the YCII.

Estimated timeline: June to November 2024 for an anticipated launch of the blended finance facility by the end of 2024.

3. Develop and implement an outreach and financing plan to stakeholders.

In addition to the structuring study, the consultant will support NEF in launching a strategic fundraising campaign by managing key funder conversations in consultation with NEF tapping into various channels, including philanthropies, development agencies, impact investors, and commercial lenders.

The consultant will also develop tailored funder pitch materials including pitch decks and related outreach materials.

Consultancy Timeline

Engagement duration: 12 months

- Programme assessment and initial presentation: May 2024
- Structuring study development: June to November 2024
- *December 2024: Launch of the blended finance facility*
- Engagement and financing support: December 2024 to April 2025

How to apply

This call will close on May 12, 2024. Application reviews will commence on May 1, 2024. Applicants are encouraged to submit their proposal as soon as able to the Near East Foundation careers page at: <https://neareast.bamboohr.com/careers/372?source=aWQ9MTM%3D>

Please apply by submitting with the following documents:

- CV
- A short cover letter outlining your relevant experience and areas of expertise.
- High level technical & financial proposal