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REPUBLIKA E SHQIPËRISË  
MINISTRIA E FINANCËVE  
DHE EKONOMISË

MIRATOI

MINISTËR

Anila Denaj



**TERMS OF REFERENCE**

**REQUEST FOR PROPOSAL ON: "CONSULTANCY FINANCIAL ADVISORY  
SERVICE REGARDING TECHNICAL ASSISTANCE FOR PUBLIC DEBT  
MANAGEMENT"**

**March, 2020**

Public

## Notice

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These Terms of Reference ("ToR"), issued by Albania, represented by the Minister of Finance and Economy of Albania acting upon Council of Ministers Decision no.201, dated 05.03.2020, is for the exclusive use of the persons to whom it is addressed in connection with the Offering (as defined herein).

This ToR (references to which and to any information contained herein shall be deemed to include any information, whether or not in writing, supplied in connection herewith or in connection with any further inquiries), the details of the Offering and the existence of the Offering are confidential. By accepting this ToR, you agree to keep such information confidential.

In no circumstances will Albania be responsible for any costs or expenses incurred by any recipient in connection with any investigation or evaluation or for any other costs or expenses incurred by any person in connection with the financing.

Albania expressly reserves the right, at any time and in any respect, without giving notice or reasons, to amend or terminate the Offering described herein (including, without limitation, the selection criteria described herein), to terminate discussion(s) with any or all recipients of this ToR and to negotiate with any party in a manner and to a timetable other than that outlined in this ToR. Albania is under no obligation to consider or accept any responses to this ToR.

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## **Contacts**

Responses and any questions in relation to these ToR should be addressed to:

Ministry of Finance and  
Economy of Albania  
“Dëshmorët e Kombit”  
Boulevard, No. 3; Tirana,  
Albania

For the attention of

**Mrs. Adela Xhemali**  
Deputy Minister

[Adela.Xhemali@financa.gov.  
al](mailto:Adela.Xhemali@financa.gov.al)

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**Service required: “Consultancy Financial Advisory service for Public Debt Management”.**

**GOAL OF THE CONSULTANCY FINANCIAL ADVISORY SERVICE**

Considering the sensitivity of financial markets due to internal and external factors, Ministry of Finance and Economy aims to receive consultancy financial advisory service regarding the public debt management, in order to secure the necessary borrowing funds, assessing the risk and its cost, in the medium and long term, as well as the development of the government securities market, by increasing its instruments and expanding the investor base.

**SCOPE OF SERVICES**

The selected Financial Advisor will be responsible for ensuring, on behalf of the Republic the following services:

**I. Sovereign financing**

**A. Credit story and rating advisory in the context of a Eurobond issuance**

*Rating situation assessment*

- i. Analysis of Albania’s rating perception with S&P and Moody’s through an in-depth criteria review and analysis of relevant sovereign peers;

*Rating strategy definition and implementation*

- i. Build a strong credit narrative and credit story for Albania, consistent with the government’s economic strategy and recent policy developments;
- ii. Assist the Albanian authorities in the preparation of S&P and Moody’s questions regarding the Eurobond issuance, ensuring agency analysts speak with briefed interlocutors best positioned to enhance agency perceptions, and reviewing reports;
- iii. Ensure all key messages have been sufficiently argued and conveyed, are understood by agencies and are being factored in the rating decision;
- iv.

**B. Financing advisory**

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- i. Debt management: prepare recommendations on the financing strategy to be implemented in the short and medium term, to ensure an optimal diversification and pricing for Albania, including optimal split between external and domestic debt, new instruments to be targeted in various currencies and lenders to be approached;
  - ii. Map relevant issuance options for the considered instrument (nominal, currency, maturity, coupon,) within the framework of a debt sustainability analysis;
  - iii. Identify solutions to mitigate the negative cost of carry attached to the prefunding of Albania's 2020 financing needs;
  - iv. Analyze risks and rewards attached to a proactive liability management exercise on existing Eurobonds;
  - v. Eurobond transaction: assist the Ministry of Finance and Economy during the preparatory phase and advise on instruments structuring (terms and conditions and negotiations with book-runners) and during the execution of the transactions (including during pricing and allocation phases);
  - vi. Depending on market conditions, identify, structure and implement alternative financing solutions (e.g bridge loan, blend financing) should the Eurobond market not make up to the Ministry of Finance's funding needs;
  - vii. Advise on potential swap agreements (interest rate and currency swaps) to minimize currency and credit risk, enhance Albania's access to international capital markets and optimize Albania's debt profile;
  - viii. In preparation of the roadshow, assess the current risk perceptions of Albania from key financial investors, and identify government measures or communication needed to address any negative perception;
  - ix. In preparation of the roadshow, assist Albania in the identification and approach of key financial investors and expand its international investor base.

#### **PLACE AND FREQUENCY OF SERVICES**

Ministry of Finance and Economy, specifically the General Directorate of Public Debt and Foreign Aid Coordination, and anywhere else necessary, whenever and as often as the Ministry of Finance and Economy requests consultancy service regarding Public Debt Management.

#### **SUBMISSION AND EVALUATION OF PROPOSALS**

##### **I. Proposal Content:**

The proposal shall include the technical proposal and economic proposal.

##### **A. The technical proposal includes:**

- a. A detailed description of the proposed services and the methodology, which contains all the required information by this Terms of Reference document and which is sufficient for the Ministry of Finance and Economy, in order to stipulate if the proposed services meet the requirements specified herein;

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- b. The Team including the description of the full team and Curriculum Vitae of Main Personnel;
  - c. Graphic of Execution;
  - d. Alternative technical proposal, if permissible;
  - e. Conflicts of Interest: State any conflict of interests your company may encounter during the assignment;
  - f. Miscellaneous (please add any other element you deem relevant).

**B. Financial Proposal:**

The technical proposal should be submitted along with a financial proposal (the "financial proposal"). All proposed prices shall be fixed and not subject to review. The Candidate must submit:

- a. The fee of the working time for a month for each person;
- b. Summary of direct and indirect costs and expenses, including taxes, fees, licenses, insurance and other costs associated with performing the Services;
- c. The total price without VAT proposal, and the amount of VAT if applicable.
- d. Any other information which additionally may be required by the Ministry of Finance and Economy.

**II. Submission Process**

A printed version with a sealed envelope of the proposal should be sent to the Albanian Ministry of Finance and Economy by 9th of April 2020 at 10.00 AM, Tirana time. The Ministry of Finance and Economy reserves the right to reject any proposal not received by this time. The proposal shall be inserted into a nontransparent envelope, closed, sealed and signed and containing the name and address of the candidate, address of the Ministry of Finance and Economy, as set out above, and marked: "Proposal for consultancy services". After that an electronic version of the proposal may be sent through electronic mail in the address specified above.

The Proposals will be opened at 10.15AM on 9<sup>th</sup> of April, 2020;

All candidates will be notified within (2) working days on the Bid Opening through electronic mails if their Proposals were accepted for further evaluation or rejected.

**CONFIDENTIALITY**

The documents and data that will be available to the company should be considered confidential and should not be transmitted to third parties.

**CONFLICTS OF INTEREST**

The candidate must commit, throughout the mission, to provide professional, objective and impartial advice and to preserve, at all times and in all circumstances, the interests

of the Republic of Albania. The candidate must avoid situations of conflict of interest with other missions or interests.

#### **OTHER INFORMATION**

This request for proposals is not a commitment on the part of Ministry of Finance and Economy to accept proposals. The Ministry of Finance and Economy reserves the right to accept or reject any and all proposals, to negotiate modifications of proposals submitted, and to waive any irregularities or informalities in any proposal.

Subsequent to receipt of proposals, the Ministry of Finance and Economy may require the candidate to make oral presentations or to respond to telephone calls to clarify its proposal. Discussions and interviews may be held with candidates under final consideration prior to making a selection for award; however, proposals may be accepted without such presentations or discussions.

No costs associated with responding to this Request for Proposal or attending Interviews will be reimbursed.

After one or more finalist are selected, the Ministry of Finance and Economy will negotiate an agreement that will be in the Republic of Albania's best interest. The agreement will cover all aspects of the proposal described herein.