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SECTION 3: TERMS OF REFERENCE (TOR)

REGIONAL SERVICE CENTRE FOR AFRICA

GENERAL INFORMATION

Service Description:	Firm Level Consultancy Service for a Mapping of Inclusive Business Ecosystem and Training on Supporting the Development of Inclusive Business Ecosystem Building Initiatives and Platforms
Project Title:	Regional Programme for Africa, Outcome 1, Output 3: "Regional systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment intensive"
Duty Station:	Home-based with some travel
Type of the Contract:	International Consultancy Firm
Estimated Duration of Assignment:	Approximately 70 working days ¹
Duration of Initial Contract:	Approximately 6 months
Expected Start Date:	Last week of September 2015 (approximate)

I. BACKGROUND / RATIONALE

In line with its Private Sector Strategy, UNDP is becoming increasingly well positioned to support innovative approaches of inclusive market development (IMD) engaging the private sector and other stakeholders to improve opportunities for the poor to participate in markets as producers, employees or consumers.

With Africa being a major focus of UNDP's work, a strategic, regional Private Sector and Inclusive Market Development for Poverty Reduction in Africa project, the "African Facility for Inclusive Markets" (AFIM), commenced in November 2010 and its activities got integrated into the UNDP Regional Programme from Africa in January 2015. The UNDP private sector unit is based in the Inclusive Growth and Sustainable Development Cluster of the UNDP's Regional Service Center for Africa in Addis Ababa, Ethiopia.

More can be found at www.undp.org/africa/privatesector.

The UNDP Private Sector activities over the past 4 years focused on promoting the concept of inclusive business in Africa and made some concrete recommendations on how to advance inclusive business on the continent as part of its Flagship report "[Realizing Africa's Wealth - Building Inclusive Businesses for Shared Prosperity](#)" which contains the Inclusive Business Ecosystem Diamond framework (see Figure below). Inclusive businesses are defined as those including low-income people on the demand side as customers, and on the supply side as employees, producers and entrepreneurs serving at various points within the value chain. They build bridges between business and the poor for mutual benefit. Thus, they bring the benefits of growth directly to low-income communities. Inclusive businesses create a strong foundation for profit and long-term growth by bringing previously excluded people into the marketplace.

¹ Note these are tentative working days and not man days

FIGURE 2:
Inclusive Business Ecosystem Diamond



To overcome the challenging market conditions characteristic of low-income communities, inclusive businesses need a supportive environment. An inclusive business ecosystem refers to a network of interconnected, interdependent actors whose actions make it possible for inclusive businesses to succeed and generate impact at increasingly large scales. The Inclusive Business Ecosystem Diamond (see Figure above) outlines the four primary functions required to support inclusive businesses (the 4 Is):

1. **Information** provides businesses with the awareness, knowledge, technology and know-how required to operate in low-income markets;
2. **Incentives** provide businesses with the impetus to engage with low-income communities by rewarding positive externalities and reducing the cost of doing business;
3. **Investment** provides the financial backing that enables businesses to venture into challenging low-income markets;
4. **Implementation support** provides the logistics, transaction, marketing and communication, and micro-business support services that allow inclusive businesses to function in a variety of dynamic environments.

The ecosystem actors - companies, governments, development partners, civil society organizations (CSOs), research institutions and intermediaries - all can contribute to strengthening each of the diamond's four functions. One the key findings of the Inclusive Business report show that **ecosystem-building initiatives show great promise**. Creating the ecosystems that nurture inclusive businesses is a complex task. Various functions have to complement each other, and various actors need to collaborate in order to provide them. Enterprises are the fundamental drivers of inclusive business, but innovation and entrepreneurship is required at all levels, from multilateral organization and governments to local CSOs, to enable and support enterprise efforts. Collaboration and cooperation are important if individual players' actions are to be effective. Building inclusive business ecosystems requires "collaborative entrepreneurship" in order to truly set competition within low-income markets free. Ecosystem-building initiatives have been particularly successful in creating inclusive business ecosystems. These initiatives coordinate an ecosystem's diverse actors at multiple levels so as to ensure that individual activities build on and reinforce each other. The three examples of ecosystem initiatives featured in the report's final chapter have each been able to reach millions of people. The Competitive African Cotton Initiative (COMPACI) brings agribusiness and textile companies, development partners, and smallholder

cotton farmers together to create sustainable and inclusive cotton supply chains. Kenya's Financial Sector Deepening Initiative works with various government bodies, banks, micro-finance institutions, and educational and research institutions to deepen access to financial services, especially for low-income groups. The Lighting Africa initiative provides a platform enabling lighting solution companies to have their products quality checked and certified, and works to improve the conditions for sale of these products in several countries, in the process enhancing access to lighting for low-income consumers. These examples show that ecosystem-building initiatives are promising approaches in helping inclusive businesses grow.

Recommendations for various actors of the inclusive business ecosystem - companies and entrepreneurs, governments, development partners, civil society organizations, research institutions and intermediaries - to support its creation and development are outlined in detail in the report.

As part of its current programming under the Regional Programme for Africa, Outcome 1, Output 3 related to inclusive growth, the UNDP Private Sector Unit now wishes to support more inclusive businesses in Africa through ecosystems building initiatives in partnership with regional institutions, national stakeholders and development partners active in this space. This will be done through:

- Developing and rolling-out a training programme focusing on the fundamentals of inclusive business and including the set-up, facilitation and operationalization of inclusive business ecosystem-building initiatives at country level in Africa. The training programme will be rolled out to all interested countries in Africa at a continental level workshop.
- Working closely with a first batch of 3 countries to develop and support inclusive business ecosystem building initiatives in sectors/topics of their choice. The countries and sectors of focus are: Uganda-Tourism, Lesotho-Mobile Banking, Senegal-renewable energy/solar.
 - It is planned that for each selected country and sector, a mapping of the inclusive businesses ecosystem in that sector will be carried out. The study will also identify key constraints, solutions and opportunities for inclusive businesses in that ecosystem along the Inclusive Business Ecosystem diamond 4 Is.
 - Key stakeholders in the selected sectors will be trained as per the training programme described in the first bullet above.
 - Each country will then apply the training to convene ecosystem-building platforms in the selected sectors, made up of key stakeholders found during the mapping study. The platforms will be used to validate the sector mapping including key constraints, solutions and opportunities, and to agree on solutions and a course of action including inclusive business ecosystem-building initiatives related to the 4 Is that could be supported financially through micro-capital grants.
 - In addition, at least 4 inclusive businesses active in those ecosystems will be supported in each pilot country through linkages with Impact Investors, incubators and other forms of technical assistance.

In order to support the implementation of the work above, the UNDP Private Sector Unit now wishes to engage the services of a consulting firm to conduct the following assignment.

II. OBJECTIVES OF THE SERVICE / WORK

This assignment seeks to develop and roll-out a training programme to support the development and growth of inclusive business ecosystem-building initiatives at country level in Africa. It also includes a mapping study of the inclusive businesses ecosystem in 3 countries and sectors (one sector per country), which will include identifying key constraints and opportunities for inclusive businesses in that ecosystem. The countries and sectors of focus are: Uganda-Tourism, Lesotho-Mobile Banking, Senegal-renewable energy/solar.

III. SCOPE OF THE SERVICE / WORK

The tasks of the Assignment are the following:

1. Review existing literature, documentation, reports on inclusive business ecosystems and inclusive business ecosystem-building initiatives.

2. Participate in an inception call with the UNDP Private Sector Unit.
3. Prepare a detailed inception report laying-out the revised proposed approach for the assignment and action plan, based on the initial interaction with the team.
4. Carry-out a mapping study of the inclusive businesses ecosystem in 3 countries and sectors (one sector per country) which:
 - Identifies inclusive businesses in that sector
 - Studies the ecosystem of support (including identifying relevant impact investors) for these and the growth of new inclusive businesses in that sector, in terms of what entities, programmes, initiatives, laws and regulations, among others constitute the ecosystem of support, and what key constraints, opportunities and solutions exist for inclusive businesses in that ecosystem,
 - Lays out opportunities and potential scope of work for an Inclusive Business Ecosystem Platform, as well as a detailed roadmap to implement Inclusive Business Ecosystem platforms and initiatives, in each country/sector.
5. Use the mapping study and its results as part of the training programme (see below).
6. Prepare a training programme to develop and grow inclusive business ecosystem-building initiatives at country level in Africa. The training programme should include:
 - A primer on Inclusive Business Policies – the latter will be around 5 pages and include rationale for African governments and DFIs to support inclusive businesses and examples of conducive policies, benefits and incentives from Latin America and Asia based on the experience of the Inter-American Development Bank (IADB) and the Asian Development Bank (ADB). Where available, examples from African countries should be highlighted.
 - A Train the Trainer/training manual including a PowerPoint Presentation with full notes attached for replicable delivery, beyond the consultancy period. The training manual should cover generic training on inclusive business and inclusive business ecosystem building platforms as well as specific considerations for the 3 selected sectors. It should include in particular:
 - What inclusive business, inclusive business ecosystem and inclusive business ecosystem building platforms are and rationale for supporting them.
 - How to set-up and run inclusive business ecosystem building platforms (including who should be convened, how often, rules of engagement, activities, a Concept Note for Inclusive Business Ecosystem Building Platforms to support inclusive business ecosystem-building projects, a model Call for Proposal for inclusive business ecosystem-building initiatives/projects and inclusive businesses to be identified and supported under the Ecosystem Building Platforms, etc.)
 - How to assess their effectiveness (success criteria, M&E framework that could be used, quality assurance process over inclusive business ecosystem building initiatives/projects and inclusive businesses to be supported, etc.)
7. Support the organization of a training workshop to roll-out the training programme to all UNDP Country Offices that are interested and their relevant stakeholders (e.g. government counterparts, private sector organizations, etc.). Support to the organization will include drafting the training concept note, agenda and invitation letters.
8. Roll-out the training programme, most likely scheduled for Q1 2016.
9. Prepare a final report on the assignment, including summarizing the mappings, the training programme roll-out and developing recommendations for further work in each of the 3 countries.

IV. EXPECTED OUTPUTS / DELIVERABLES

The following deliverables are expected:

1. Inception Report
2. Draft and final mapping studies for the 3 countries and sectors selected by the UNDP Team
3. Draft and final training programme, in the form of:

- a. Training concept note
 - b. Training agenda
 - c. Training invitation letters
 - d. A Train the Trainer training manual
4. Draft and final assignment report, including summarizing the mappings, the training programme roll-out and developing recommendations for further work in each of the 3 countries.

V. METHODOLOGY / APPROACH OF THE SERVICE (WORK)

The consulting firm will be responsible to develop and propose its own methodology to carry out the tasks described above. However this should include:

1. Review all existing literature, documentation, reports on inclusive business ecosystems and inclusive business ecosystem-building initiatives.
2. Review UNDP documents on Project Facilitation Platforms and catalytic grants, as a source of inspiration for the Inclusive Business Ecosystem Building Platforms.
3. Consultations with relevant subject matter experts (SDC, GIZ, IADB, ADB, IBAN, DFID, The Practitioner Hub, G20, etc.).
4. Desk research for selected sectors in each of the 3 country visits for the 3 country mappings.
5. Country visits to the 3 selected countries, including consultations/interviews with key stakeholders in selected sectors.
6. It is important in all the work done and especially in the training manual development to promote and leverage partnerships with all stakeholders at the local, national, regional and global level especially development partners involved in Inclusive Business, Inclusive markets Development, Inclusive Growth and sector relevant programs and initiatives.
7. Provide regular updates on advancement and findings of the assignment.

VI. LOCATION, DURATION AND TIMEFRAME OF THE WORK /DELIVERABLES/OUTPUT

No.	Deliverables	Location and Action to be Undertaken	Duration (approximate working days²)	Review and Approvals required
1	Inception report (by 21 September)	Home-based	5	Regional Private Sector Advisor
2	Mapping study reports for the X countries and sectors selected by the UNDP Team (Draft by 9 Nov, Final by 30 Nov)	Home-based with travel to the X countries selected	36	AFIM Project Manager
3	Draft and final training programme, in the form of: <ol style="list-style-type: none"> 1. Primer on Inclusive Business Policies 2. Training concept note 3. Training agenda 4. Training invitation letters 5. Training Manual including ppt (Draft by Jan 15, Final by Feb 5)	Home- based	19	AFIM Project Manager

² Note that these are indicative working days and not man days.

4	Draft and final assignment report, including summarizing the mappings, the training programme roll-out and developing recommendations for further work in each of the 3 countries. (Draft by Mar 4, Final by Mar 25)	Travel to training to deliver the programme and home-based	10	AFIM Project Manager
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VII. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

The consultant will be under the supervision of the UNDP Regional Private Sector Adviser and collaborate closely with other team members. S/he will participate in periodical briefing calls with the team.

VIII. PAYMENT MILESTONES AND AUTHORITY

Prospective Service Provider will indicate the cost of services for each deliverable in US dollars when applying for this consultancy. The Proposer will be paid based on the effective UN exchange rate (in case of other currency denomination), and only after approving authority confirms the successful completion of each deliverable as stipulated hereunder. In accordance with UNDP rules, the lump sum contract amount to be offered should consider the professional fee inclusive of travel, living allowances, communications, taxes, out of pocket expenses, and other ancillary costs.

A winning Proposer shall then be paid the lump sum contract amount upon certification of the completed tasks satisfactorily, as per the following payment schedule:

Instalment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1st Instalment	Final Inception report	AFIM Project Manager	20%
2nd Instalment	Final Mapping study reports for the 3 countries and sectors selected by the UNDP Team	" "	30%
3rd Instalment	Final training programme	" "	30%
4th Instalment	Final assignment report	" "	20%

IX. MINIMUM ORGANIZATION AND CONSULTANCY TASK FORCE REQUIREMENTS

1. Area of Corporate Specialization of Proposing Firm

- Has at least 5-8 years of relevant experience in private sector and inclusive market and business development
- Expert knowledge of inclusive business development and in particular of inclusive business ecosystem-building platforms and initiatives, especially in Africa
- Experience of preparing stakeholders mappings as well as studying constraints, opportunities and solutions in sectors relevant to inclusive business in Africa (e.g. agriculture, energy, tourism, ICT, financial services, affordable healthcare, affordable housing, extractives, etc.)
- Experience of developing and rolling-out training programmes
- Experience with UN or other international organizations beneficial
- A firm that can mobilize a team of highly qualified experts with the profile described below.

2. Qualifications

The team of consultants shall be composed of at least three experts under the supervision and coordination of a team leader. We recommend the use of national consultants in the 3 countries of focus, in association with international experts. The required qualifications of the experts are as follows:

Key expert 1(Team leader):

Qualifications and skills:

- i. Masters or equivalent diploma(s) in Business Administration, Economics, International Relations, Development Studies or a related field.
- ii. At least 8 years professional experience in project management including inclusive business and its ecosystem of support
- iii. Proven experience in designing and implementing solutions to remove constraints related to the 4Is of the inclusive business ecosystem diamond (Information, Incentives, Investment and Implementation Support)
- iv. Experience in developing training manuals and implementing training programmes
- v. Excellent report writing and presentation skills
- vi. Experience of engaging with the Private Sector, government and civil society
- vii. Experience of assignments in Africa and especially in the selected countries
- viii. Clear understanding of African development challenges, especially in the selected sectors
- ix. Proficiency in English and French

Key expert 2:

Qualifications and skills

- i. Masters or equivalent diploma(s) in Business Administration, Economics, International Relations, Development Studies or a related field.
- ii. At least 5 years professional experience in inclusive business and ecosystems of support
- iii. Experience in developing and implementing training programmes
- iv. Experience of working with the Private Sector
- v. Experience of assignments in Africa
- vi. Proficiency in English; French an asset

Key expert 3:

Qualifications and skills

- i. Masters or equivalent diploma(s) in Business Administration, Economics, International Relations, Development Studies or a related field.
- ii. At least 3 years professional experience in inclusive business and its ecosystem of support
- iii. Experience in carrying-out stakeholders mappings as well as studying constraints and opportunities in sectors relevant to inclusive business in Africa (e.g. agriculture, energy, tourism, ICT, financial services, affordable healthcare, affordable housing, etc.)
- iv. Experience of working with the Private Sector
- v. Proficiency in French; English an asset

X. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the Procurement Notice, qualified Consultancy Firm is expected to submit both the Technical and Financial Proposals. Accordingly; the firm will be evaluated based on Cumulative Analysis as per the following conditions:

1. Responsive/compliant/acceptable as per the Instruction to Bidders (ITB) of the Standard Bid Document (SBD), and
2. Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
 - i. Technical Criteria weight is 70%
 - ii. Financial Criteria weight is 30%

XI. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL

For purposes of generating proposals whose contents are uniformly presented and to facilitate their comparative review, a Service Provider here below is given a proposed Table of Contents. Accordingly; your Technical Proposal document must have at least the preferred content as outlined in the RFP Proposal Submission Form.

XI. CONFIDENTIALITY AND PROPRIETARY INTERESTS

The consultants shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy or the Government without prior written consent. Proprietary interests on all materials and documents prepared by the consultants under the assignment shall become and remain properties of UNDP. This assignment will be administrated by the United Nations Development Programme (UNDP), and all relevant UNDP rules, policies and procedures will apply.