Terms of Reference

International Consultant

Conducting a study on the implications of Middle-income Country (MIC) to High-income Country (HIC) transition on the Textile and apparel Industry in Mauritius in a post Covid context

BENEFICIARY COUNTRY : Republic of Mauritius
FOCAL AREA : Development Impact
GOVERNMENT AGENCIES : Government of Mauritius
DURATION : 40 days as from 25 May to 31 July 2020
DUTY STATION : Port Louis, Mauritius
STARTING DATE : 25 May 2020
PROJECT TITLE : study on the Implications of MIC to HIC transition on the Textile and apparel Industry in Mauritius in a post Covid context
A. Background and Context

Mauritius vision for a transition from MIC to HIC and the role of the African Development Bank (AfDB)

The African Development Bank Country Strategy Paper for Mauritius (2014-2018) noted that Mauritius has succeeded in transitioning from a Low-Income Country (LIC) to an Upper Middle-Income Country (MIC) thanks in part to strong and stable institutions, a conducive business environment, economic sectoral diversification and effective utilization of trade preferences. Trade and use of preferential trade agreements have always been major drivers of economic growth for a Small Island Developing State (SIDS) such as Mauritius, SIDS being usually dependent on foreign markets for generating foreign exchange and for supplementing a narrow domestic base. The same Country Strategy Paper noted the recent ambition of the Government of Mauritius “to transform Mauritius into a High-Income Country (HIC) on the basis of growth that is sustainably generated and equitably distributed by 2025” (AfDB, 2014). But achieving HIC status will require the country to address challenges linked to persistent youth unemployment - a result of a skills mismatch between what the educational system in Mauritius produces and what a future buoyant Mauritian economy needs in terms of skills to maintain a high-quality growth path - and challenges linked to the maintenance of competitiveness in an increasingly competitive global economy. It is to be noted that the major objective of the AfDB Country Strategy Paper 2014-2018 was to “help Mauritius build its competitiveness and resilience to exogenous shocks so as to enhance the quality of growth and accelerate the country’s transition into a HIC”. The current Covid-19 crisis has made it even more important for SIDS such as Mauritius to build resilience against shocks.

The AfDB is committed under the current CSP to support interventions in Mauritius under two complementary pillars, namely Pillar 1: Building Infrastructure and Public Private Partnerships (PPPs) and Pillar II: Deepening Skills and Technology development.
2 was meant to support actions and policy reforms that will address the skills mismatch of the island and enhance the country’s productivity and innovation capacity as it endeavors to transition to HIC Status.

**Rationale of Study**

Transitioning to HIC status will necessitate major skills development and investments in technology and innovation (with proper attention to intellectual property rights issues in value-chains).

It may also result in the displacement of workers from shrinking low productivity sectors such as traditional textiles and apparel to expanding higher-productivity sectors such as digitalized services or high-fashion industry. Mauritius needs to stand ready to formulate policies and action plans to deal with the adjustment costs likely to be faced by the labor force and business owners as a result of transitioning from a MIC to a HIC. Labor policies have to be revised to address shortage of highly qualified professionals. This necessitates analytical work that delves into studying the impact of such a transition on specific sectors. The textile and apparel industry are one such sector. It also requires capacity building and targeted skills development programmes to facilitate the transition of workers from shrinking labor-intensive sectors and activities to more technology-intensive sectors and activities.

It will also require a strengthening of resilience against the impact of unexpected shocks such as Covid-19 and further diversification of the Mauritian economic and export bases, both in terms of sectors and sub-sectors and in terms of markets. If we take the textile and apparel sector, currently subject to disruptions due to Covid-19, building resilience against unexpected economic shocks will necessitate further diversification of the sector in terms of markets and value-chains, quality and range of products marketed and upgrading along the textile and apparel sector.
Mauritius vision for a transition from MIC to HIC and the role of the UN

In 2019, the Government of Mauritius and the United Nations System of Mauritius, of which UNDP and the UN ECA sub-regional office for Southern Africa are part, signed a new Strategic Partnership Framework (SPF) for the period 2019-2023. The major aim of the SPF is to delineate concrete actions through which the UN will support the Mauritius National Vision and the Three-year Strategic Plan 2018/19-2020/21, titled “Pursuing our transformative journey”.

The Mauritius National Vision is organized according to five pillars that set the country's long-term development priorities. These aim to accelerate the pace of sustainable economic diversification so that Mauritius can join the league of high-income countries by 2023 with a per capita GNI of USD $13,550 by 2023, progressing to USD $19,000 by 2030. Efforts are focused on developing the ocean and green economies, embracing the digital economy, accelerating the development of new and innovative sectors including ICT and financial technology, and creating a next generation of critical thinkers and entrepreneurs to compete effectively in regional and global economies (UN, 2019).

The UN Strategic Partnership Framework (SPF) focuses among others, on the following priorities and outcomes of the National Vision

**National Vision: Strong economy**

Outcome 1. Transformed businesses

The SPF outcome is to achieve a policy and regulatory environment that promotes innovation and increased productivity in targeted traditional and new sectors. These are needed to enable more rapid and sustained economic diversification focused on technological upgrading and incentives for innovation, with a focus on both high-technology value-added as well as labor-intensive sectors.

**National Vision: Coherent social development & Inclusive society**

Outcome 4. Inclusive, quality education and skilling
The educational performance of young people is instrumental for the achievement of the National Vision for a growing and diversified knowledge economy, geared towards services and exports. The National Vision aims to equip young Mauritians for success as professionals and entrepreneurs in a diversified and dynamic knowledge economy. Successful economic transformation to produce innovative services and products with greater medium and high tech value-added will depend upon highly skilled, qualified, and motivated workers. Even with a highly developed education system, Mauritius, like many middle- and high-income countries, faces the challenge of how to optimize education spending and improve educational quality and standards. The partnership outcome is to see a strengthened education and training system that offers quality, accessible and inclusive services and equips all learners with knowledge and skills for enhanced employability.

The UN SPF states that across all sectors, three main areas of reform have been identified to spur more rapid and diversified economic growth and these are to: (1) strengthen the education system and build the skills base of young workers, (2) to increase capacities for technology absorption, and (3) to promote both Foreign Direct Investment and trade (UN, 2019). It is clear that education and skills development, technology and innovation, trade and investment will be the critical 4 levers to pull if Mauritius is to succeed in its transition to become a HIC.

As part of supporting the Government of Mauritius in implementing its National Vision under outcomes 1 and 4 in its quest to become a HIC and as part of activating the 4 levers identified above, the United Nations Development Programme (UNDP) and the UN Economic Commission for Africa sub-regional office for Southern Africa (ECA SRO SA) are engaged in undertaking a comprehensive study on the role that the textile and apparel industry could play in supporting the transition of Mauritius from an Upper MIC to a HIC by 2023 and the related implications on education and skills, technology and innovation development and trade and investment requirements for the textile and apparel industry. Such a study is also in line with the AfDB stated broad objective of supporting Mauritius in succeeding in its transition to a HIC and its targeted objective of supporting skills development, and technology as part of that transition process.
In order to achieve its goal of transforming into a High-income Country, Mauritius will need to revitalize or transform existing leading industries such as textile and apparel whilst developing new niche sectors. Mauritius will also need to plan for the development of new sectors and revitalization of existing ones within the context of regional economic integration, in other words taking into account emerging opportunities from the African Continental Free Trade area (AfCFTA), in addition to consolidating gains from existing preferential trade agreements such as the AGOA and the Economic Partnership Agreement (EPA).

The textile and apparel industry are an interesting sector to focus on for several reasons.

First, it is a leading employer and a key historical sector in Mauritian industry with special implications on women and young. Total merchandise exports in Mauritius totaled US$2.4 billion in 2018, of which 31 per cent were accounted for by textiles, yarn and fabrics for a value of US$735 million (see annex 1). How the sector survives and performs as Mauritius transitions from MIC to HIC matters for sustaining employment and jobs on the island and for the livelihoods of vulnerable groups such as women and youth.

Second, the Mauritius National Vision has earmarked manufacturing and SMEs as key drivers of its transition process towards HIC status and as such the upgrading of the textile and apparel sector as a key component of the existing Mauritian Manufacturing landscape is important to study.

Third, with the onset of the AfCFTA, there is scope to develop the textile and apparel industry further to tap into local and regional African markets and for Mauritian textile and apparel to integrate in African cotton-textile-apparel value chains. The Mauritian textile and apparel industry have the potential to become a key player in the Eastern and Southern African region through intra-African trade and intra-African investment. The Economic Development Board of Mauritius asserts that “The local textile landscape is made up of a diversified base of manufacturers able to cater for the needs of a wide spectrum of buyers with a variety of options such as price points, volumes and runs. Some of our leading entrepreneurial manufacturers have accumulated enough expertise to invest in additional production units in neighboring countries, transferring knowledge to
countries enjoying relatively low labor costs, while providing the right degree of flexibility for our clients” (http://www.edbmauritius.org/opportunities/manufacturing-traditional-industries/textile-apparel/).

Fourth, the sector has prospered owing in part to preferential trade agreements such as the AGOA and options to reduce export dependence on preferential agreements that risk not being renewed must be explored. In 2018, 19 per cent of Mauritius exports of textiles, yarn and fabrics were exported to the US, 43 per cent to Europe with Africa accounting for about 32 per cent.

The Current Covid-context and implications for the Mauritian economy

The current crisis of Covid-19 will present specific challenges to some critical sectors and the textile and apparel sector is no exception, given disruptions in global value-chains and access to markets. At the outset the proposed study will assess the impact of the current crisis on the textile and apparel sector in Mauritius and globally, and make policy recommendations on how the textile and apparel sector can contribute to building resilience of the Mauritian economy to unexpected global shocks.

In this context, UNDP is soliciting retain the services of two (2) consultants, more specifically a Lead Consultant and a Research Assistant (Consultant) with scientific knowledge of the industry to conduct the study.

B. Scope of Work

The overall objective of this joint ECA-UNDP study is to focus on the role that the textile and apparel sector can and should play in accelerating Mauritius transition to High-Income Country status in a sustained way and in building the resilience of the Mauritian economy to unexpected shocks akin to Covid-19. Mauritius is currently drafting a new industrial policy. It will be timely and relevant to diagnose the challenges that the textile and apparel industry currently faces, especially in the post Covid-19 world as well as the
transformations it needs to undergo, and opportunities it can harness from the African regional and global economy in order to become an engine of growth, job creation and shared prosperity that can catalyze Mauritius further on the national income ladder. Such a study will be a direct contribution to the objectives of the AfDB CSP for Mauritius, to the UN SPF and to the objectives of the Government of Mauritius as stated in its National Vision.

More specifically, the Consultants will:

- Assess the current state of the Mauritius textile and apparel industry and the challenges/constraints faced by entrepreneurs and exporters in the sector. This may involve implementing a questionnaire among operators in the sector. It will also assess the impact and implications of Covid-19 for the industry, in light of global value-chain disruptions and other challenges;

- Expand on the opportunities that the sector faces especially in the context of the AfCFTA and other non-African trade preferential trade agreements, scope for developing “Made in Mauritius” and integrating in regional and global value-chains and developing linkages with other sectors such as tourism and agriculture for sourcing of inputs;

- Highlight and expand on how the textile and apparel sector can become more competitive and transform itself into a manufacturing engine of high quality -growth for Mauritius (harnessing R&D and Science, technology and innovation including digitalization; developing new niche sectors including high-fashion, bio and organic trade, green methods of production, branded products, fabrics for home design etc);

- Analyze the role that the 4 levers can play in such a transformation: education and skills development, technology and innovation, trade and investment (including FDI). For example, the creation of Fashion and Design schools on the island can be discussed;
▪ Analyze the adjustment costs that the sector may face as Mauritius transitions from an Upper MIC to a HIC. Such adjustment costs may imply a shift from labor-intensive to more technology-intensive methods of production and a layoff of workers with a need to reabsorb them in other sectors;

▪ Analyze support to be provided to entrepreneurs in that sector, with special attention to women and youth, including support to meet technical and quality standards, support to export, to diversify into other markets, to enter new niche segments and the potential of Mauritius to become a Fashion & Design Hub in the region;

▪ Present case examples of comparative experiences and best practices in the textile, apparel and fashion industries of other countries.

▪ Propose recommendations on how to make the sector resilient to unexpected economic shocks akin to Covid-19;

Additionally, the study will:

▪ Estimate in its analysis the economic progression of Mauritius, based on current average growth as well as consider that the World Bank GNI threshold for HIC evolves over time;
▪ Assess the impact on Mauritian exporters in terms of the AGOA tariff advantage and competitiveness of their products on the U.S. market;
▪ Develop strategies for the textile and apparel sector to capitalize on new market access opportunities and to attract new investment;
▪ Explore, analyze and propose policy options for the complete vertical integration of the sector focusing on capital-intensive activities in Mauritius;
▪ Explore, analyze and propose options for Mauritius to become a service center in regional textile and apparel trade.
Institutional Arrangement
The Consultants will be contracted by the UNDP

C. Duration of the Work
This assignment is for duration of 40 days starting on 25 May 2020 and ending on or before 31 July 2020.

D. Duty Station
The Consultant can work remotely or on duty station depending on evolution of lock down

E. Methodology
It is expected that the Consultants will present a complete approach and methodology for preparation of this study, including:

I. undertaking a preliminary discussion with UNDP, AfDB and UNECA Subregional office for Southern Africa
ii. presentation of an inception report for discussion and approval by UNDP CO, Mauritius and UNECA;
iii. thorough literature review;
iv. methods of data collection and analysis; and
v. reporting format.
F. **Deliverables**

Following consultations with relevant stakeholders, the Consultant will be expected to work mainly on the deliverables as per table below:

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Deliverables</th>
<th>Timeframe</th>
<th>Fee (%)</th>
<th>Review and Approved by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Inception report</td>
<td>1 June 2020</td>
<td>20%</td>
<td>UNDP/UNEC/AfDB</td>
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<tr>
<td>2.</td>
<td>Draft report</td>
<td>30 June 2020</td>
<td>30%</td>
<td>UNDP/UNEC/AfDB</td>
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<td>3.</td>
<td>Final Report</td>
<td>20 July 2020</td>
<td>50%</td>
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G. **Qualifications and Competencies**

1. **Lead Consultant**

i. At least Master's degree (PhD preferably) in economic and social sciences, international trade, industrial organization, development studies or similar fields of study, as well as relevant training.

ii. At least 10 years of relevant experience in economic assessment, evaluation, or/and economic research and rigorous analysis.

iii. Very good knowledge of the planning for emergence, long term visioning and international policies, particularly in Africa.

iv. Excellent writing skills in English evidenced by extensive publications in reputable journals.
v. Evidence of preparing similar papers in an African setting.

vi. Strong similar experience working with a Country similar to Mauritius.

vii. Excellent inter-personal, communication, and teamwork skills.

**Language:**

Excellent communication skills and a good command of English- High level written and oral English language skills are a pre-requisite.

**Corporate Competencies**

- Demonstrate integrity by modelling the United Nations’ values and ethical standards;
- Advocate and promotes the vision, mission, and strategic goals of United Nations;
- Display cultural, gender, religion, race, nationality and age sensitivity and adaptability; and
- Treat all people fairly without favouritism

**Functional Competencies**

- Demonstrated interest in the field of social work;
- Demonstrated skills in delivery of group-based training on rehabilitation programme;
- Excellent writing and oral skills in English;
- Ability to work in a team and independently;
- Initiative and sound judgment, dedication and respect for the principles of the United Nations Charter and the UNDP Statement of Purpose;
- Ability to adapt in new working environment;
- Demonstrated strategic technical and analytical skills in the substantive area; and
- Computer proficiency.
Candidates should produce written evidence of experience/knowledge claimed.

H. **Scope of Price Proposal and Schedule Payments**

*Price Proposal*

- The financial offer should be quoted as a lump sum amount, ‘all-inclusive’. The term “All inclusive” implies that all costs (professional fees, travel costs, living allowances, communications, consumables, etc.) that could possibly be incurred by the Contractor are already factored into the final amount submitted in the proposal.
- The contract price is fixed regardless of changes in the cost components. Payments will be effected based on deliverables.

*Payment Schedule*

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<td>20%</td>
<td>UNDP/ UNECA/AfDB</td>
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<td>3.</td>
<td>Final Report</td>
<td>27 June 2020</td>
<td>50%</td>
<td>UNDP/ UNECA/AfDB</td>
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I. **Proposed Work Plan and Indicative Time**

It is planned that the consultancy starts by 25 May 2020 and ends on or before 31 July 2020.

J. **Recommended Presentation of Offer**

Individual Consultants/Resource Persons are invited to submit the following applications and requirements:

- Duly accomplished **Letter of Confirmation of Interest and Availability** using the template provided by UNDP.
- Personal CV, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate.
- Brief description of why the individual considers him/herself as the most suitable for the assignment, and a methodology on how they will approach and complete the assignment.
- Financial Proposal that indicates the all-inclusive fixed total contract price, supported by a breakdown of costs, as per template provided. If an Offeror is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the Offeror must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

K. **Criteria for Selection of Best Offer**

The award of the contract will be made to the Individual Consultant whose offer has been evaluated using the “Combined Scoring Method” and determined as:

- Responsive/compliant/acceptable;
• Having received the highest score out of a pre-determined set of weighted technical and financial criteria specified below - (Technical Criteria with a weight of 0.7 and Financial Criteria of a weight of 0.3.

Only candidates obtaining a minimum of 70 marks out of 100 in the Technical Evaluation would be considered for the Financial Evaluation. The technical criteria and weightage are as follows:

**Lead Consultant**

<table>
<thead>
<tr>
<th>Educational Qualifications:</th>
<th>Experience</th>
<th>Methodology reports:</th>
<th>Language Proficiency:</th>
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<tr>
<td>-At least Master's degree (PhD preferably) in economic and social sciences, international trade, industrial organization, development studies or similar fields of study, as well as relevant training.</td>
<td>-At least 10 years of relevant experience in economic assessment, evaluation, or/and economic research and rigorous analysis. -Very good knowledge of the planning for emergence, long term visioning and international policies, particularly in Africa.</td>
<td>-Evidence of preparing similar papers in an African setting. -Strong similar experience working with a Country similar to Mauritius</td>
<td>-Excellent writing skills in English evidenced by extensive publications in reputable journals.</td>
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| 30 MARKS | 40 MARKS | 20 MARKS | 10 MARKS |
Important Note:

- Qualified women are encouraged to apply
- Interested offerors above the age of 62: UNDP regulations require, at their own cost, to undergo a full medical examination including x-rays. Medical evaluation documentation does not need to be submitted with the other requested documents listed above but will be requested should the candidate be chosen.

Approved by:

<table>
<thead>
<tr>
<th>Name:</th>
<th>Ms. Renooka Beejan</th>
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<tbody>
<tr>
<td>Position:</td>
<td>Head of Socio-Economic Development Unit</td>
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<td>Signature:</td>
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<td>Date:</td>
<td>4/5/2020</td>
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