

TERMS OF REFERENCE (TOR)

SUBJECT: For the development and delivery of consultancy services to small-sized enterprises within Integrated Business Support / Business Accelerator Services project

I. General Background

COVID-19 infection continues affecting different areas of Uzbekistan causing the government authorities to divide the country into different zones and extend the quarantine measures to 1 Aug 2020. To mitigate and respond to economic implications of the crisis the Uzbek government implementing different anti-crisis support measures for the businesses. However, the business sector in Uzbekistan continues struggling during the pandemic that caused reduce job places, shrink financial and production capacity, face constraints to growth, and get adversely affected during the post-quarantine time.

To face these challenges, under the RRF for COVID-19, UNDP together with the Chamber of Commerce & Industry (CCI) started a new project with two sub-components: Business Clinic (BC) and Integrated Business Support (IBS). The objective of Business Clinic is to respond to crisis with rapid business consultancy via hotline telephone service and on-line trainings, as well Q&A sessions. The IBS, however, is aimed at providing small enterprises, the most affected by the crisis, with tailored practical support, including business coaching and consultancy services in various topics such as planning activities and strategy, enhancing financial literacy of business owners, developing marketing strategy, learning personnel management, etc. Moreover, the IBS project is also aimed at helping small businesses improve their digital potential, develop technical skills, and ultimately contribute to their sustainable presence in the market which inevitably should lead to local economic development (LED).

The programme will be planned and implemented in line with national legal requirements by a local implementer, project implementation unit (PIU). It targets five regions of Uzbekistan, Samarkand and Namangan regions during 1st Cycle and Jizzakh, Ferghana and Qashqadaryo regions during 2nd Cycle, which were discussed and selected as the seriously affected areas of Uzbekistan (after Tashkent) by coronavirus pandemic and, therefore, require more attention and support for the business sector.

II. Project objective

The overall objective of the program is to design and deliver professional consulting services to small businesses, mostly affected by the crisis in selected regions of Uzbekistan affected by economic crisis, yet have potential for recovery and viable change via providing training and business advisory (coaching) services with following seed finance opportunity to selected entities.

The project team would select, and train and coach at least 80 small sized enterprises, and provide seed finance to at least 30 selected small sized enterprises in 2 cycles (with 30 enterprises in each cycle) on anti-crisis management and strategy in such areas as marketing, growing sales, recovering value-chains, financial management, training personnel and use of digital technologies etc. The project pays significant emphasis on supporting youth and women-led small businesses and income-generation projects to adapt to “new normal”.

III. Scope of Work

The project implementer, the Contractor, will work in close collaboration with the project team to ensure timely project implementation, quality information exchange, and satisfactory achievement of the project outputs, including:

1. Training Curriculum Elaboration

- a. The Contractor shall elaborate and present the training curriculum (training plan) for the initial groups of small businesses. The syllabus of the training module will be based on best international practices on adaptation to post crisis situations and its experience of working with small sized enterprises. The form of training curriculum (training plan) is tentative will be mutually agreed before contracting with the service provider.
- b. The Contractor will carry out the trainings according to the agreed time table, in the selected project sites (Samarkand and Namangan regions during 1st cycle, and Jizzakh, Ferghana and Qashqadaryo regions during 2nd Cycle). The content of the curricula shall be based on the measures to battle the crisis caused by COVID-19.

2. Preliminary Business Assessment

- a. Upon development of training curriculum, the key consultants of the Contractor shall deliver the training courses. At the same time, the key consultants shall evaluate and create a pool of enterprises eligible and those conform to the project criteria to take part in the next round of services, consulting (coaching) services.
- b. The evaluation will be conducted according to a preliminary survey form that shall be designed by the UNDP project team together with the Contractor. Special attention will be given to training of small-sized enterprises comprising youth and women entrepreneurs.
- c. Preliminary Business Assessment (PBA) will be accomplished in the beginning stage of the project, and then be processed by the Selection Committee.

3. Delivery of Trainings

- a. The total amount of enterprises to be trained is at least 80 throughout the 2 Cycles (40 companies in each Cycle). Trainings will be conducted following the government rules of quarantine measures (participants with masks, social distance, etc.).
- b. Locations of trainings delivery are 5 regions: Samarkand and Namangan regions during 1st cycle and Jizzakh, Ferghana and Qashqadaryo regions during 2nd Cycle.
- c. The Contractor shall organize the following for each group of trainees:
 - § Facility (venue) and equipment (projector, white board, etc.);
 - § Required stationery;
 - § Certificates of successful completion;
 - § Training handouts;
 - § Coffee breaks & meals.

4. Final Business Assessment & Selection for consulting projects

- a. The final assessment of the small enterprises will be conducted by the Contractor's consultants and the UNDP project team upon finishing the training stage.
- b. For the final assessment, the Contractor can use personal or online individual meetings with the small enterprise managers /entrepreneurs to get a deeper feedback and insight.

5. Implementing Consulting Services

- a. Implementation of consulting (coaching) services shall be carried out both by using online instruments and personal visits.

b. The Contractor would need to draw a schedule of visits to companies. At least 40 small sized enterprises should be coached/trained according to their needs based on the results of the diagnostics of existing problems.

6. Follow-up visits to the trainees

a. After 6 months, the Contractor shall organize and carry out a follow-up evaluation of small businesses by visiting them individually (or online if travel limitation remain due to the COVID 19 pandemic impact)..

b. The evaluation form should be designed by the Contractor (and Subcontractors) with a main objective of accomplishing project outcomes.

7. Deliverables & Outcome

a. Upon finishing consulting (coaching) services to a company, the Contractor will need to make a brief Assessment Report (see Annex 4 for an example).

b. Upon finishing the 1st cycle, every consultant (The Subcontractor) should submit a general report indicating the following programme outcome and covering the following issues:

§ How COVID-19 pandemic affected the business sector;

§ What was the main bottlenecks in small enterprises;

§ How the professional services in the means of consulting (coaching) impacted these challenges;

§ Lessons learnt from the 1st cycle and what should be done in the 2nd cycle in order to make the project KPIs better;

§ Success/failure stories (if available).

The Contractor shall provide the Customer with the following work results in Russian and English.

	Activity / Result	Time frame/Deadline	Payment
1.	Deliverable #1: - Develop a detailed Action Plan, training modules (including, training materials, trainees' handouts, and assessment sheets) for small sized enterprises mostly affected by the COVID-19 crises, with particular attention to prioritizing youth and women employment; - Attract at least 4 professional individual consultants/trainers for training of 80 small sized enterprises from selected regions (Samarkand and Namangan regions during 1 st cycle and Jizzakh, Ferghana and Qashqadaryo regions during 2 nd cycle); - Develop a tentative schedule (based on TOR) of capacity building trainings, as well methodology describing provision of consulting services to the Beneficiaries, envisioned skills to be learned by Beneficiaries. - Provide the progress report on the completion of Deliverable #1.	15 days from the date of signing the contract	10%

2.	<p>Deliverable #2:</p> <ul style="list-style-type: none"> - Organize the process of selection and training for at least 40 small sized enterprises, and conduct coaching and consultancy program for at least 20 small sized enterprises based on their needs (as a result of diagnostics of existing problems in small sized enterprises) from abovementioned regions for the 1st cycle; - Provide technical monitoring and analytics of the training outcomes; - Organization of the work of all experts, elaboration of evaluations and reports of the consultancy work; - Conduct assessment and evaluation of the training results by testing small sized enterprises; - Support preparation of proposals (cases) for seed funding for at least 15 small-sized enterprises, including preparation of seed funding cases based on requirements and criteria identified by UNDP and CCI; - Provide report, including documentation of lessons learned and recommendations. 	60 days from the date of signing the contract	35%
3.	<p>Deliverable #3:</p> <ul style="list-style-type: none"> - Organize the process of selection and training for at least 40 small sized enterprises, and conduct coaching and consultancy program for at least 20 small sized enterprises based on their needs (as a result of diagnostics of existing problems in small sized enterprises) from abovementioned regions for the 2nd cycle; - Provide technical monitoring and analytics of the training outcomes; - Prepare the report on the outcomes of the training and consultancy; - Organization of the work of all experts, elaboration of evaluations and reports of the consultancy work; - Conduct assessment and evaluation of the training results by testing small sized enterprises; - Support preparation of proposals (cases) for seed funding for at least 15 small-sized enterprises, including preparation of seed funding cases based on requirements and criteria identified by UNDP and CCI; - Provide report, including documentation of lessons learned and recommendations. 	90 days from the date of signing the contract	35%
4.	Deliverable #4:	180 days from the date of signing the contract	20%

<ul style="list-style-type: none"> - Provide technical monitoring and analytics of realization of seed funding projects; - Provide the Final report, including documentation of lessons learned and recommendations on further activities to support SMEs in “new reality”. 		
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IV. Expected Outputs and Timeframe

Indicative schedule for the support programme implementation in the 1st Cycle

Tentative Timeframe	Description of Outputs
30 Aug, 2020	The training module on specific thematic areas are developed and agreed.
Aug, 2020	<p>The training programme was launched with the following basic training modules:</p> <ul style="list-style-type: none"> ● Launching a small business in “new reality” ● Marketing for small business (including digital marketing) ● Financial management of small business ● Small business development needs analysis ● Presentation skills (online training at a later date) <p>All of the training, coaching and consultancy activities should be conducted with focus on overcoming of COVID-19 pandemic crisis negative impacts.</p>
Aug – Oct, 2020	Coaching sessions for companies have been conducted with the following stages:
Aug – Sep, 2020	Carrying out a capacity needs assessment (CNA) as part of diagnostic report with findings
8 Sep, 2020	Presenting the findings/action plans in PPT form as application for seed grant funds
10 Sep, 2020	Grouping small businesses based on their needs and assigning particular subcontractor as consultant/coach;
11-12 Sep, 2020	Implementing coaching sessions for at least 20 small businesses;
14 Sep-26 Oct, 2020	Evaluating projects and selecting at least 15 business projects for awarding seed funds;
28-30 Oct, 2020	Reporting accomplished work (with graphs, charts, comparative tables, and achievements for the beneficiary-enterprise).
2 Nov, 2020	Coaching programme Cycle 1 together with recommendations for further development and scenario finished
2-4 Nov, 2020	Contracts for provision of Seed Funding with small enterprises developed, and signed with UNDP

5-6 Nov, 2020	Progress report(s) of Cycle 1 submitted
20-30 Apr, 2021	Post-project (follow-up) evaluation of small enterprises' activities have been carried out, and a final report on the project impact submitted

Indicative schedule for the support programme implementation in the 2nd Cycle

Tentative Timeframe	Description of Outputs
7 Sep, 2020	The list of 40 new companies for the coaching programme finalized
23-30 Sep, 2020	The training programme includes with the following basic training modules launched: <ul style="list-style-type: none"> ● Launching a small business in “new reality” ● Marketing for small businesses (including digital marketing) ● Financial management of small business ● Small business development needs analysis ● Presentation skills <p>All of the training, coaching and consultancy activities should be conducted with focus on overcoming of COVID-19 pandemic crisis negative impacts.</p>
Nov 2020 - Feb 2021	Based on previous experience (at Stage 1) separate coaching sessions for companies (see above Clause 5 for more information on coaching directions):
9-30 Nov, 2020	A capacity needs assessment (CNA) as part of diagnostic report with findings carried out;
1-3 Dec, 2020	The findings/action plans in PPT form as application for seed grant funds presented;
3 Dec, 2020	Small businesses based on their needs and assigning particular subcontractor as consultant/coach grouped;
4-5 Dec, 2020	Coaching sessions for 20 small businesses implemented;
9 Dec, 2020-20 Feb, 2021	Projects followed by selecting 15 business projects for awarding seed funds selected;
22-24 Feb, 2021	Reporting accomplished work (with graphs, charts, comparative tables, and achievements for the beneficiary-enterprise).
26 Feb, 2021	The Cycle 2 coaching programme with recommendations presented
1-3 Mar, 2021	The contracts on for provision of Seed Funding elaborated and signed
4-5 Mar, 2021	All reports on Cycle 2 submitted

V. Qualification Requirements to Contractor (Project Contractor)

The company that would be hired to implement the programme should match the following criteria:

- i. Legal entity;
- ii. Availability of proven experience of working with **small-sized enterprises**;
- iii. Be open to collaborate with Subcontractors/individual consultants (according to their competences and experience) in the project based on the small enterprise needs including specialized consulting and coaching;
- iv. Experience of collaboration with international organizations, conducting post-crisis and/or anti-crisis management coaching/training programs and surveys will be an asset;

The project will be implemented by a team of consultants with their updated Curriculum Vitae (CVs) which clearly indicate their proven records of training and providing consulting services to **small-sized enterprises** presented to the UNDP team.

Required Team Qualifications:

- § Experience of delivery of trainings to **small-sized enterprises** particularly in regions;
- § Competence of delivering trainings in marketing, finance, management, production and supply chain, tax, legal, HR;
- § University degree in the field of economics, business administration, engineering, marketing, finance or law.

VI. Requirements for selecting small enterprises (Project Beneficiaries)

To participate in the support programme a small enterprise will be selected based on the following criteria:

1. Size: Up to \$50,000 in annual turnover or with a balance sheet and total of less than \$50,000;
2. Ownership: small businesses owned by Uzbekistan citizens, registered and operating in target regions. Only small businesses registered as enterprises are eligible to participate in the support program, individual entrepreneurs will not be able to go through the selection process successfully
3. Age (maturity): small businesses that have been in operation for at least two years;
4. Employment: Typically, with small business enterprises with fewer than 50 employees. In the IBS programme, it is planned to deal with small businesses having employees between 3 to 50 people.
5. Economic sector: Small businesses from the following sectors: 1) Food production and processing (production of dairy products, confectionary, meat & sausage, bread items, etc.); 2) Agribusiness products & services (cold storage, drying fruits, etc.); 3) Services (education, health, spa, hairdressing, sewing studio, etc.); 4) Construction materials production; 5) Technology and tools production; 6) ICT & technology; and others.

6. Use of ICT: Small sized enterprises widely using ICT and having more online presence in markets will have preference during selection process. Thus, it's strongly recommended to have digital marketing tools, web-sites (internet shops) and/or Telegram/Facebook channels;
7. Financial stability: In order to be eligible for seed funding, companies should provide the evidences of financial stability, for this reason, they will be required to submit "no debt" statements from regional tax office and commercial banks;
8. Co-financing: A beneficiary-enterprise should have a financial ability to co-finance seed funding projects. It is recommended to contribute at least 20% of the project cost. This will motivate a company to devote, take more responsibility and ownership for the project.
9. Gender and youth aspects: During the selection, a special preference will be given to small businesses that have a reasonable gender balance: with majority women or youth ownership (managed by female or young entrepreneurs) or with over 30% women or youth as employees. At least 30% of the beneficiary small business employees preferred to be youth (aged up to 35) and/or women owned or managed businesses. If such businesses are identified in the rural areas, which create jobs for women a special preference will be given during the selection process.

To participate in the business support program, interested **small-sized enterprises** should provide the following documents (online):

- 1) Filled online application form;
- 2) List of employees filled in the required form;
- 3) Registration certificate;
- 4) No debt statements from the regional Tax authority and commercial banks.

The support programme will NOT work with small businesses engaged in consumer trade, production of tobacco, alcohol, entertainment, gambling or financial services.