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Terms of Reference for the Reviewing and Documenting UNDP Inclusive Business Ecosystem Initiatives (IBEI) Field Experiences with Lessons Learned and Next Actionable Opportunities

General Information

Description of Services:	Documentation of Lessons learned and Best Practices on Inclusive Business Ecosystem Initiatives (IBEI) in Lesotho (mobile money), Senegal (solar energy) and Uganda (tourism), especially around platform activities and innovation challenge awards
Project Title:	Regional Private Sector Development and Engagement in Sub-Saharan Africa
Executing Office:	UNDP Finance Sector Hub (FSH), together with Country Offices
Duty Station:	Home Based with field travel
Expected Places of Travel:	Lesotho, Senegal and Uganda
Type of the Contract:	Consulting Firm
Duration:	70 days
Expected Start Date:	22 September 2020

Background

Since 2015 UNDP Regional Service Centre for Africa has conceptualized and developed an approach to strengthen Inclusive Business (IB) Ecosystems - the Inclusive Business Ecosystem Initiative (IBEI). IBEI is an approach that identifies key gaps in the Inclusive Business ecosystem and brings together all relevant stakeholders to coordinate, address challenges, co-create solutions and innovate in systematic and inter-operative manner.

To overcome the challenging market conditions characteristic of low-income economies, inclusive businesses need a supportive environment that is anchored on 4 pillars highlighted below.

1. **Information** provides businesses with the awareness, knowledge, technology and know-how required to operate in low-income markets;
2. **Incentives** provide business with the impetus to engage with low-income people 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 business support services that allow inclusive businesses to function in a variety of dynamic environments.

UNDP has also initiated the field implementation of three IBEI pilots in Africa funded by the Swiss Agency for Development and Cooperation (SDC). Each initiative has created an institutional structure called "IBEI platform" that helps stakeholders to coordinate activities and meet on a regular basis. UNDP's primary role in an IBEI is to *initiate* the IBEI, *convene*, *connect* stakeholders and *catalyze action* through targeted funding. It is in this regard that UNDP RSCA initiated an Innovation Challenge Award to support inclusive business across the 4 pillars mentioned above through innovation challenge prizes and technical assistance.

Twenty-one inclusive businesses were supported with varying amount of grants funding to provide solutions that have positive impact on low-income and rural people, potential to scale or replicate and has catalytic effect in their sector of operation by addressing key business level barriers.

Brief overview of the IBEI piloted in Africa

UNDP supported IBEI pilot initiatives which were implemented in three African countries of Lesotho, Senegal and Uganda and the specific focus of these initiatives are summarized as follows:

Lesotho

In March 2016, UNDP conducted an analysis and scoping study of the mobile money sector in Lesotho and identified systemic obstacles in the enabling business environment that are preventing the sector from catering financial inclusion products to low income people and rural customers. Based on the findings, four ecosystem solutions pillars that could be leveraged to enhance inclusive finance were identified:

1. Awareness
2. Acceptance
3. Availability and
4. Affordability of mobile financial services

To address the identified mobile money ecosystem challenges, the Government of Lesotho through the Ministry of Finance, the Central Bank of Lesotho and UNDP developed the Lesotho Scaling Inclusion through Mobile Money (LSIMM) initiative that aims to catalyze inclusive and pro-poor growth by scaling up formal and semi-formal financial services for low-income people and rural customers in Lesotho through mobile money.

Specifically, the project objectives and expectations were to:

1. Strengthen leadership, coordination and institutional frameworks for expanded mobile financial services in Lesotho.
2. Encourage access and adoption of mobile money for personal, business and government transactions to enhance use especially among the population in the bottom of the pyramid.
3. Support knowledge and research on the sector for advocacy, innovations and product diversification, focusing on the Bottom of Pyramid (BoP).

Senegal

The IBEI in Senegal aims at improving the access to solar energy services for low-income populations through the creation of a supportive ecosystem for inclusive businesses in the solar energy sector. In the initial phase a solar energy sector ecosystem mapping was conducted and identified a number of gap challenges within Senegal's solar energy ecosystem related to: Access and distribution of solar products, developing financing mechanism for purchase of solar products by low-income inclusive businesses, Reviewing tax laws impeding easy importation of solar products, Improving public knowledge by creating awareness on benefits of solar products, and establishing norms & Quality Standards for production of solar products, and training of solar product entrepreneurs and installers/technicians to develop local capacity and skills.

Based on the above-mentioned ecosystem challenges, Senegal IBIE's efforts were organized around 5 intervention/workstream areas namely:

1. **Education:** Aimed at developing and implementing practical training programmes for informal merchants and for capacity building of solar system trainers.
2. **Norms/quality standards:** Improve the political and legal environment for solar products
3. **Finance:** Improve financing opportunities of solar energy for households and Small and Medium Enterprises (SMEs)
4. **Distribution:** Accelerate and support the development and distribution of solar technology equipment
5. **Taxation:** Increase the knowledge about benefits and tax incentives within households and Micro Small and Medium Enterprises (MSMEs)

Uganda

The IBEI in Uganda aims at transforming the tourism sector by increasing competitiveness and realizing benefits for all. The project will support the establishment and operationalization of the Uganda Tourism Ecosystem Platform (UTEP) to provide support and catalyze inclusive growth and development of the tourism sector by designing systemic interventions that increase the value created from tourism product and services. The project also supports interventions aimed at strengthening the capacity of ecosystem stakeholders on inclusive business in tourism. The UTEP is structured to address the following key critical ecosystem issues identified through the tourism sector ecosystem mapping conducted in 2016.

1. **Policy and Incentives** – focuses on reviewing and updating the Tourism Act of 2008, establish guidelines for inclusive business practices, implement tourism policy to support inclusive tourism development, and develop and implement incentives for tourism and conservation investors.
2. **Product Development** – focuses on identifying and developing new inclusive tourism products with high customer demand, and identify investors for new inclusive tourism products.
3. **Marketing and Promotion** – Aims at developing and promoting Uganda National brand, develop and implement integrated national tourism marketing plan, and create and share high-quality data on tourism in Uganda among stakeholders.
4. **Capacity Building and Market Linkages** – To strengthen capacity and knowledge of Community Based Organizations (CBOs), strengthen capacity and knowledge of tourism businesses on inclusive business practices, establish market linkages between high potential tourism businesses and CBOs, create innovative financing schemes for inclusive businesses in the tourism sector and strengthen Tourism Associations.

The implementation of the three IBIE pilot projects have all come to its end and it is the desire of UNDP RSCA to document success stories and lessons learned during the implementation of these projects to be used in advocacy and for dissemination to the wider public to guide future actions.

Rationale/Purpose of Assignment

An independent mid-term evaluation of UNDP RSC Private sector initiatives conducted in late 2018 revealed that there was consensus among stakeholders that IBEI is an appropriate and timely intervention that needs to be supported. It is worthy of note that the evaluation reported that IBEI appeared to have the highest reported emerging impact with respect to contributing to the UNDP RSC for Africa Private sector target project outcomes in increasing private sector participation in creating opportunities for inclusive market participation. Lastly, the evaluation concluded that the IBEI innovative model has been helpful for the government and private sector stakeholders and worth replicating.

Documenting success stories and lessons learned from implementing the three IBEI pilot projects will help to promote sharing of evidence-based practices that have shown to be successful in improving the challenging market conditions characteristic of low-income economies or remote rural areas in emerging market economies where support functions such as business **information**, conducive rules and policy **incentives**, financial **investment** and MSMEs field **implementation** support are often not readily available thus making it especially difficult to successfully run a business.

Furthermore, documenting the success stories will stimulate enhancement of similar initiatives , the maximization of invested resources already made by UNDP and the mobilization of further resources from other interested partners both nationally and international by acting as a mechanism for continuous learning, feedback, reflection and analysis of what did and did not work, how it worked and why. The success stories and lessons learned could then be used to further inform the development of a qualitative ecosystem development solutions and help identify concrete opportunities for action in the key sectors especially those most affected by COVID 19 towards their recovery and regenerative growth and development. This exercise will consider the latest developments in the areas of ecosystem and systemic development approaches including looking into the issues of informality, use of digital solutions and enhanced ways to mobilize and motivate impact investors including through blended finance solutions.

This assignment is also intended to demonstrate the value that UNDP has added throughout the pioneering pilot projects and updating the ecosystem development training materials to allow for its wider adoption and field deployment. Furthermore, UNDP has developed and is embarking upon in the launching of a

complementary BCTa Inclusive Innovation program to assist Government to tackle big challenges through innovative inclusive business solutions.

Objectives and Scope of Services

The main objective of the assignment is to document IBEI pilot achievements and success stories as told by the beneficiaries of its innovative solutions. The outputs from the case studies shall highlight the achievements registered by IBEI during the three years of operation. The outputs will be shared with various target groups that include stakeholders, current donors and potential donors to showcase the impact of IBEI implementation in Lesotho, Senegal and Uganda and to mobilize more resources to fund its growing demand in Africa and scaling up.

The Finance Sector Hub, Private Sector Unit is currently seeking the services of a firm to provide technical assistance through the conduct of field-work to document and write analytical success stories highlighting the impact on the implementation of the national IBEIs in Lesotho (mobile money), Senegal (solar energy) and Uganda (tourism) in support of the respective Country Offices (COs).

Specific activities of the assignment are as follows:

- Will work in collaboration with UNDP RSCA/FSH and respective country offices to determine the exact scope and number of the stories; identify and develop topics and agree in-country grantees to be visited;
- Prepare standard tools and formats that will be used for documenting the stories considering the UNDP RSCA Inclusive Business Evaluation Tool;
- Provide case studies of beneficiaries for each of the three IBEI pilots (highlighted above), and what they consider as the most significant changes occurring at the business level, community and individual level as a result of IBEI innovations;
- Document success stories from the implementation in terms of:
 - Catalyzing inclusive and pro-poor growth by scaling up formal and semi-formal financial services for low-income people and rural customers in Lesotho through mobile money.
 - Improving the access to solar energy services for low-income populations through the creation of a supportive ecosystem for inclusive businesses in the solar energy sector in Senegal.
 - Providing support and catalyzing inclusive growth and development of the tourism sector and increase in the value created from tourism product and services in Uganda.
- Capture photographs/and videos that will accompany the case studies and document the initiative's achievements;
- Conduct field work in the selected pilot countries with UNDP Country Office IBEI focal points and partner staff to carry out interviews with IBEI platform members, inclusive business grantees, direct beneficiaries of IBEI, UNDP Country Office staff, and other pertinent stakeholders to collate, analyze and synthesize case studies of the project's impact; It includes providing insights on good practises for the replication of inclusive business ecosystems and the identification of new collaborative models to address systemic transformation challenges in response to COVIDs 19 and for climate action such as telehealth, green economy and digital disruption areas;
- Provide recommendations for further impact of ecosystem development and systemic approaches and IBEI project and practical programmatic insights on their usage in the post-COVID-19 recovery of the key affected business sectors;
- Review existing IBEI tools and update related training documents including considering the new BCTa Inclusive Innovation through Replication Program.

Expected Deliverables / Outputs

As part of the assignment, the firm is expected to successfully deliver the following:

No.	Deliverables	Review and Approvals required	Percentage of Payment
1	<i>Draft Lessons learned and good practices inception report:</i> (It includes all aspects listed under specific activities)	Special Advisor, Private Sector, FSH	30%
2	Draft successful case stories from the 3 IBEI UNDP pilot projects First <i>Draft Lessons learned and good practices report</i> (Layout designed English and French)	Special Advisor, Private Sector, FSH	30%
3	<i>Final Lessons Learned and Good Practises Report and Successful Case Studies from the 3 IBEI Pilot Project (Layout Designed in English and French and High Final Resolution Edited Photographs and Video Caption of Field Projects)</i> <i>Updated Ecosystem Development Training Materials (English and French versions)</i>	Special Advisor, Private Sector, FSH	40%

Institutional Arrangements

The assignment requires field missions to the three IBEI countries, namely Lesotho, Senegal and Uganda. Considering the COVID-19 pandemic, the consulting firm could explore options to work with local consultants for data collection. The cost of local consultants should be covered by the firm and should be included in the financial proposal.

The firm will be contracted by the UNDP AFSH and be under the direct supervision of the Regional Private Sector Special Advisor. She / he will collaborate closely with the focal points within the COs and the IBEI platforms' facilitators.

Requirements

Area of Corporate Specialization of Proposing Firm

- Has at least 5-10 years of relevant experience in private sector development and engagement,
- Expert knowledge of Inclusive Business Ecosystem Initiatives especially in Africa and familiarity with ecosystem and systemic development solutions
- Experience in the development of knowledge products publications and best practices
- Experience with UN or other international organizations beneficial
- A firm that can mobilize a team of highly qualified multidisciplinary experts with the following profile:

Lead Consultant

Qualification and Experience

- Master's degree in development studies, related fields (i.e. business, economics. communications and public policy) and a minimum of 10 years of relevant progressive experience.

- Strong expertise and experience are required in inclusive businesses, inclusive business ecosystem initiatives support, enterprise development, project management, grant monitoring and reporting; ideally in Sub-Saharan Africa contexts and within the UNDP.
- Understanding of the relevant sectors, i.e. mobile money, solar energy and tourism is a plus.
- Previous experience supporting ecosystem development efforts in Lesotho, Senegal and Uganda is a plus.
- Strong project management skills
- Good networking skills to engage with both internal and external partners
- Fluency in English is required, and a working knowledge of French is required to facilitate the collaboration in Senegal.

Consultants

Qualification and Experience

- Advanced university degree in development, economics, public administration, political science, international relations or other relevant field with a minimum of 5 years work experiences.
- Knowledge of inclusive business/finance, private sector and pro-poor market development, tourism
- Knowledge of digital finance
- regional private sector companies and financial institutions
- Strong analytical aptitude, communication and presentation skill
- Outstanding written and communication skills in English and working knowledge of French is desirable

Associate Consultants

Qualification and Experience

- A minimum of 2 years of professional experience.
- A passion for and experience for development consulting;
- Specific experience related to inclusive business in Africa is an advantage;
- Excellent report writing and presentation skills
- Proficiency in written and spoken English is essential; knowledge of French language is an advantage.

Evaluation Criteria

The firm will be evaluated based on Cumulative Analysis as per the following scenario:

- Responsive/compliant/acceptable, and
- 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 is:
 - a. Technical Criteria weight is **70%**
 - b. Financial Criteria weight is **30%**

Technical Criteria	Points
Area of Corporate Specialization of Proposing Firm	10
Professional and Educational background of the Team	10
Expertise and experience in inclusive business, enterprise development, private sector development and engagement approaches of the team	30
	25

Expertise and field experience in ecosystem development and transformative systemic approaches especially in the areas of tourism, mobile money, solar energy and other areas pertaining to digital transformation and the green economy	
Familiarity with Sub-Saharan Africa contexts preferably Lesotho, Senegal and Uganda as well as other stakeholders working in ecosystem and systemic development projects	15
Language skills	10