

TERMS OF REFERENCE (TOR)

I. GENERAL INFORMATION

Services/Work Description: International Consultant for Preparation of an Integrated programme document on MSME Ecosystem Development for the period 2021-25

Project/Programme Title: Job creation and MSMEs Ecosystem improvement

Duty Station: Addis Ababa, Ethiopia

Type of the Contract: International Individual Contract

Supervisor: UNDP CO

Duration: 40 working days

Hiring Unit: Inclusive Economic Transformation unit

Expected Start Date: Immediately after concluding the contract agreement

II. INTRODUCTION

UNDP-Ethiopia has recently reconfigured its policy and programme management architecture to align with the new Country Programme Document (CPD) approved in June 2020 for the period 2020-2025. The overall purpose of the reconfiguration is two-fold: first, to remain ‘fit-for-purpose’ as a key development partner in a dramatically different operating context than under the previous CPD; and, second, substantially raise performance in terms of the scale, quality and impact of results achieved and the efficiency with which resources are deployed to this end. The major change as a result of the reconfiguration is the approach taken to tackling *substantive development issues* that demand systematic attention across the country programme portfolio. The CO is moving from a piecemeal, fragmented approach into a more integrated portfolio approach. This calls for the previous vertical, sector specific and standalone programmes and projects to be re-organized and integrated in line with the new country office programmatic structure. Previously planned execution of sector-oriented program approach is now shifted into a more integrated approach to align better with national priorities as articulated in the Home-Grown Economic Reform Agenda, the 10-Year Perspective Plan as well as the UN’s Sustainable Development Co-operation Framework (UNSDCF).

In this regard, prior developed programme documents that were prepared with a sector-specific focus are being reviewed in order to be better aligned with the new CPD, adopt a more integrated and portfolio approach and ultimately to ensure strategic focus whilst improving achievement of results, efficiency and effectiveness, quality of work, accountability and responsibility as well as a rationalised and well-balanced distribution of work. In this regard, there is an urgent need to urgently review and integrate the different programmes designed previously around different sectors into more structured and coherent programme framework backed by logical offer and coherent theory of change. This is the case with programmes designed around the sectors comprising of **industry/manufacturing, agriculture, tourism and mines. The idea would be to examine these projects and based on a logical framework, re-design them to focus on jobs creation, MSMEs and their ecosystem development as well as capacity development. Looking at them closely, they do present a compelling case for doing this given their inter-related and mutually reinforcing character, all potentially contributing differently in creating jobs, improving livelihoods, and addressing inequalities. The integrated program document need to have one solid theory of change among other structures.**

BACKGROUND

Sustainable job creation and youth employment are critical challenges that Ethiopia is facing today, as the Country aims to transition to a middle-income country by 2025. With about 2 million new entrants to the labour market

every year, 49% of employed population being in subsistence employment, and ~70% of the population under 29 years old, a concentrated effort to grow current jobs, create new jobs, improve quality and inclusiveness of the labour market are necessary. All the priority sectors (agriculture, manufacturing, tourism, mining and ICT) as identified in the HGER have the very best potential to create jobs for youth and women through creating new SMEs or strengthening the existing ones. Under the previous programme, UNDP has been supporting all of the above sectors in the past but in a piecemeal approach with lack of focus and limited impact. Below is an outline of the specific programmes and projects.

1. The programme document prepared for the industry sector aims to to strengthen industrial technical and policy advisory capacity as well as facilitates use of proven knowledge and technologies in agro industrial development. The intended impact of the programme implementation is contributing to job creation and poverty reduction. Integrating environmental and social sustainability into the industrial development effort is given key consideration. The programme placed strong emphasis on agro-processing owing to the strong potential this sector has for creating employment opportunities and resulting in sustainable development particularly in rural areas. This was expected to be realized by ensuring the sound operation and viability of the Integrated Agro Industrial Parks (IAIPs) which the Government of Ethiopia (GoE) is implementing, first four pilot Parks and, later, thirteen additional Parks.
2. UNDP had s also formulated the Inclusive and Sustainable Agricultural Development Programme Document to help transform the agriculture sector and alleviate poverty in Ethiopia by implementing strategic and integrated interventions across major value chains in the country's agriculture sector. The project intends to support smallholder farmers and youths to access agricultural value chains, and have four components : i) increasing the access of farmers to quality public and agricultural services, ii) applying technologies to enhance productivity and commercialization of agriculture, iii) increasing access to, and efficiency of use of irrigation water by smallholder farmers, and iii) supporting smallholder farmers to commercialize agriculture.
3. The other program document formulated was on inclusive and sustainable tourism. the Project aims at facilitating the generation of tourism-related wealth, increased foreign-exchange income, create employment throughout the country and contribute to the diversification and competitiveness of local economies. The project was intended to optimize the sector's potential through product development, employment generation and investment attraction, to broaden the country's revenue base. Overall purpose was to make tourism sector more competitive, attractive to visitors, sustainable and inclusive of local communities. UNDP's support to the Tourism sector in the past was focused to enhance the capacity of the ministry (ministry of Tourism and Culture) to plan and implement tourism sector transformation plans by working on the whole value chain through identification of opportunities and potential to engage the poor, particularly women and youth, private sector and development partners.
4. The recent engagement with Ministry of Mines and Energy encompasses provision of technical and advisory support services focused on planning and economic integration, corporate communication, as well as exploration and exploitation. This sector, in particular the artisanal mining is sought to have high potential for job creation and promotion of MSMEs and start-ups. Despite there is not a development program document on this sector, however the consultant should explore and identify key areas of support for the sector so as to unleash the potential for job creation and MSME development.

What emerges from thee above is that whilst these projects have contributed to achieving some important results in their specific areas of focus, the lesson that we have learnt also underlined by the Independent Comprehensive Programme Evaluation (ICPE) of the programme conducted in late 2018 was the absence of a clear underlying narrative of "why UNDP and why these intervention served to reinforce a project-driven silo approach. They viewed as a series of stand-alone projects with different IPs working in different parts of the country supported by a different donor rather than a part of a coherent package that is defined with the GOE on the basis of a shared

analysis of key development challenges and understanding of UNDP's core comparative advantage(s) in Ethiopia. The ICPE also noted that the long-term impact and sustainability of many interventions was unclear due to concerns about the scalability and on-going capacity constraints among IPs, especially at the woreda level, where the rapid turnover of staff limited the impact of most capacity development efforts.

This therefore makes a case for the merger being proposed of these programmes, i.e Agriculture, Tourism and Industry), fusing their programme documents into a coherent and structured and integrated programme framework. For instance, there is need to incorporate the initiative on mines and update in line with the current priorities and needs of the Ethiopian government but screening interventions related to job creation, MSMEs development and capacity building, an **international individual consultant is sought to prepare integrated programme document for the period 2021-2025**. Thus, this TOR is developed with this objective in mind and this is why UNDP is seeking the support of a consultant with the requisite qualification, experience and competency to engage with the assignment. Once the consultant is identified, UNDP will provide all the three program documents for the consultant to review, extract and merge into one program document that may potentially involve various stakeholders and implementing partners.

III. OBJECTIVE OF THE SERVICE

UNDP is now seeking the service of an international consultant to undertake merging and updating of the indicated sectors programme documents and extract focusing on job creation and SMEs development and overall ecosystem improvement; based on which to re-shape and design the UNDP Ethiopia Country office portfolio programme for the next 5 years and develop **comprehensive programme document (2021-2025)**. The integrated programme document to be prepared should take into consideration the recent sectorial developments as well as the comprehensive programme evaluation conducted on the previous years of engagement. The merging of the programme document exercise shall focus on identifying capacity gaps in terms of the sectors policy and regulatory framework design, institutional implementation capacities of the sectors, availing the right skills for strong human resource base to spearhead the sectors' transformation agenda.

Moreover, the assignment should focus in prioritizing intervention areas to be implemented by the sectors in line with the new CPD. There also need to put in place for cross-learning, documentation sharing and scaling-up of best practices. The assignment is also expected to look and identify UNDP's comparative advantages among UN agencies and other development partners to support these sectors along with and in a complimentary manner with other interventions such as economic governance and structural transformation. The programme document integration needs to be aligned with the new strategic plan of UNDP (2022-2015) through a review of the Landscape Paper¹, the New Strategic Offer for Africa with its six impact areas², and in particular the specific impacts areas of structural transformation and women and youth empowerment, as well as the Country Programme Document. The integrated (merged) programme document also need to take into consideration the interest of donor community (to ensure the merged programme will attract donor financing) and this may entail scanning of potential donors interest.

¹ The Landscape Paper released in February 2021 under phase 1 of the new Strategic Plan visioning exercises is a crystal ball of the landscape in which UNDP is likely to operate in the next four to five years.

² Natural resource governance; Youth and women's employment and empowerment; Structural transformation; Climate change mitigation and adaptation; Affordable and sustainable energy; Peace and security

IV. SCOPE OF THE SERVICE

The following are indicative areas for scope of the activities while anticipating comprehensive proposals from the consultant participating to render the service.

The consultant is expected to perform the following major tasks:

- **Review of UNDP's existing programme documents (produced by consultant 1-2 years before on agriculture, industry and tourism) and validate their relevance, and significance of the programme designs:** this may require the need to review existing engagements with the various sectors, with different institutions.
- **Review of UNDP's past engagement** with these sectors and understand the strengths and weaknesses of these engagements as well as the successes made and lessons learnt (through reviewing the evaluation reports of previous projects executed by these sectors. This will include both the Independent Comprehensive Programme Evaluation (ICPE) of 2018 as well as the CO Portfolio Review Report of 2019
- **Review of the UNDP new CPD as well as the UNSDCF** (United Nations Sustainable Development Cooperation Framework) as well as the UNDP strategic plan.
- **Updating context analysis of the priority sectors in Ethiopia:** the programme documents of the sectors (agriculture, tourism, manufacturing industry and mining) have addressed the aspect of scanning the environment and analysing the country context that entails from policies to programmes and strategies. Based on what have been described in the sectors' programme documents, there is a need to update to include current perspective. This would help understand the challenges and opportunities for the sectors' development and thereby take account of key strategic interventions that are not addressed or need to be addressed differently. This would help to define UNDP's entry point (upstream or downstream) as well as strategic interventions that UNDP need to address based on its competence, mandate, comparative advantages and resources.
- **Updating areas of entry and ensure sectors' programme will complement and have synergy with other parallel programmes in the CO;** the CO is implementing other projects and programmes that are directly or indirectly related with the sectors. This possible horizontal linkage needs to be updated and well reflected in the document.
- **Update the capacity assessment:** During the capacity assessment conducted earlier, data & information were collected on desired and existing capacity. This data & information should be reviewed and updated by a variety of means, including desk reviews, interviews and focus group discussions. Review of international best practices from other countries previously done should be reviewed and updated wherever necessary.
- **Review and update development partners supporting the sectors' programme:** earlier the sectors' programme documents entailed interventions by other donors and development partners supporting the sectors' so as to help identify synergies and reduce duplication of efforts. Review and update shall be required to establish clear partnerships in the common interventions supporting the sectors.
- **Merge and Formulate comprehensive programme document:** Based on the reviewed capacity gaps and needs and priorities identified in alignment with the new CPD (*focusing on jobs, MSMEs, ecosystem improvement and capacity building of sectors*) merge and integrate a programme document. This is an integrated set of deliberate and sequenced actions (a combination of quick-impact initiatives (less than one year) and short- to medium-term (one year or longer) embedded in a programme or project to address the three guiding questions detailed in the sectors programme documents: 'capacity for why?',

‘capacity for whom?’ and ‘capacity for what?’ Among other things, the integrated programme document is expected to include: updated and merged context analysis, the expected outcome contribution, outputs, indicators, targets and cost of the programme. The UNDP programme document template will be provided.

The programme document needs to be **comprehensive for the period 2021-25** for strategic alignment with UNDP’s engagement of support with the Government and towards achieving sustainable development agenda in line with UNDP’s CPD.

The preparation of the **Project Document will include quality control and final formulation of the following indicative sections of a UNDP -compliant dossier.**

- Development Challenge (Situation Analysis):
- Strategy: these include country ownership, project rationale and policy conformity, design principles and strategic considerations, theory of change
- Results and Partnership: these include the following
 - Expected Result
 - Resource Required achieving the expected result (Total Budget and Work Plan
 - Partnership
 - Risks and Assumptions in the execution
 - Stakeholders Engagement
 - Knowledge
 - Sustainability and Scaling up
- Programme Management: these include the following
 - Cost efficiency and Effectiveness
 - Project Management
 - M&E Framework
- Results Framework
- Monitoring and Evaluation
- Governance and Management Arrangement
- Legal Context and Risk Management
- Environmental and social safeguards, including gender analysis and action plan
- Annexes
 - Risk Analysis log
 - References
 - Key assessment reports
 - Capacity assessments
 - Terms of Reference for Project staff and main consultants and sub-contracts
 - Stakeholder involvement Plan
 - Gender Action Plan

The above sections are indicative; as templates may be subject to change, the consultant will be required to obtain guidance from the UNDP CO Inclusive Economic Transformation unit on applicable formats and templates to ensure that the work is compliant with UNDP standards and criteria. It is required to compile update the baseline/situational analysis for the full-size project. This will include a precise definition of baseline projects, activities, budgets, goals and co-financial links to the outcomes; definition of incremental

value per outcome and output; and presentation of results of the incremental cost-analysis in matrices as appropriate.

V. EXPECTED OUT PUT OF THE ASSIGNMENT

The deliverable from this assignment include:

No	Deliverables	Duration (approx.)
1	Inception report (including methodology, suggested annotated outlines of developing a programme document)	5 calendar days after signing of the contract
2	Draft Integrated/merged programme document	25 calendar days after presentation of inception report
3	Conducting workshop for stakeholders and collecting comments and feedback	2 calendar days (5 days after submission of programme document)
4	Pre-Final programme document for final comment	5 calendar days
6	Submit final programme document	3 calendar days

VI. METHODOLOGY/APPROACH OF THE SERVICE

The assignment is required to be provided by international consultant who should have adequate knowledge and experience on the desired areas through preparation and development of UNDP supported programme documents as per UNDP reporting template in various countries as requested in this TOR.

The consultant shall be expected to carry out this assignment by:

- Reviewing and updating of the previous sectors' program document
- Assessment and review of previous study and relevant documents on related to the sectors' growth plans and strategy
- Reviewing and updating of donor Mapping and assessment
- Review and updating of the assessment of best international practices applicable to the assignment and drawing lessons for the implementation of the outputs
- Understanding of the Country context
- Consultation and closely working with the sectors institution and UNDP CO.

It is anticipated that the consultant submitting his/her offer to design appropriate methodologies using her/his knowledge and experience to carry out the assignment at the required level

VII. LOCATION AND DURATION

The whole assignment should not exceed more than 40 days. The consultant, in its inception report, has to indicate a clear process/procedure and time frame for the assignment. The consultant may need to appear physically in the

country for few weeks to update and validate and consult stakeholders. However, most of the period can be spent for reviewing the documents and merging and re-write the program document as outlined in this ToR.

All logistical arrangements including professional fees, joining duty station round trip ticket, for staying Addis Ababa for around 20 days (living allowances), communications, consumables, etc. will be covered by the consultant.

VIII. IMPLEMENTATION ARRANGEMENTS

The consultant will be recruited under the UNDP terms and conditions and undertake the assigned tasks and responsibilities under the direct supervision of UNDP.

IX. PAYMENT MILESTONES AND AUTHORITY

The prospective consultant is expected to indicate the cost of services for each deliverable in US dollars all-inclusive³ lump-sum contract amount when applying for this consultancy. The consultant will be paid only after approving authority confirms the successful completion of each deliverable as stipulated hereunder. The qualified consultant shall receive his/her lump sum service fees upon certification of the completed tasks satisfactorily, as per the following payment schedule:

Instalment of payment/period	Deliverables	Approval Should be Obtained	Percentage of Payment
1 st Instalment	Up on submission and approval of inception report including strategies for the assignment	UNDP Team Leader	20%
2 nd instalment	Up on submission and approval of draft program document as well as making presentation to stakeholders	UNDP Team Leader	40%
3 rd Instalment	Up on submission and approval of the final program document passing through validation and incorporating the comments of the stakeholders	UNDP Team Leader	40%

X. MINIMUM CONSULTANT REQUIREMENT

The Consultant should be an expert with solid experience and exposure on UNDP supported programme document as per the UNDP reporting template and well versed on the interventions the integrated document intends to entail.

The consultant should have the following qualifications and experience:

A. Education:

Masters (PhD is preferable) in the area of strategy development, policy, planning, business development, economics, management, development studies and related areas.

B. Experience and Skills:

- Minimum at least 8 years in the field of strategic plan development, programme document preparation, business development, restructuring, strategy development, or related sphere.
- preferably have a lot of engagements with the private sector , public sector and UN agencies
- Experience at least in one of the sectors transformation and entrepreneurship and have a good understanding of the Ethiopia government context;

³ The term “All inclusive” implies that all costs (professional fees, international travel costs, living allowances, communications, consumables, etc.) that could possibly be incurred by the Contractor are already factored into the final amounts submitted in the proposal

- Knowledge of relevant policies, structure and the indicate sectors development
- Experience working with UN or other international organizations
- It shall demonstrate its capabilities, understanding of the TOR, and methodology of skill development approach
- Demonstrated experience in undertaking a nation-wide research study and report development of high standards.
- Exposure to or understanding of the Ethiopia's socio-economic contexts is an asset.
- Sound understanding of the national and international development policies, strategies and programmes, and their implementation issues and challenges.
- Analytical skills and experience in developing assessment reports of high standards.
- Working experience and familiarity with the development efforts of the international development partners, especially UN agencies and NGOs.
- Knowledge of UNDP programming approaches is desirable
- Experience of working in Ethiopia/ Africa is desirable

C. Functional Competencies

- Positive and constructive approaches to work with energy
- Demonstrate openness to change and ability to receive and integrate feedback
- Excellent written and verbal communication skills
- Strong time management and meet established time lines.
- Ability to work under pressure, and to deliver in a timely manner without compromising quality standards

D. Language and Other Skills

- Excellent knowledge of English, including the ability to write reports clearly and concisely and to set out a coherent argument in presentation and group interactions
- Capacity to facilitate and communicate with different stakeholders
- Computer skills: full command of Microsoft applications (word, excel, PowerPoint) and common internet applications

XI. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the procurement notice, qualified individual consultant is expected to submit both technical and financial proposals. Accordingly, individual consultant 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 are:
 - a. Technical Criteria weight is **70%**
 - b. Financial Criteria weight is **30%**

Criteria	Weight	Max. Point
Technical Competence (based on CV, Proposal and interview (if required))	70%	
▪ Criteria a. Educational relevance: close fit to post		10 pts
▪ Criteria b. Understanding the scope of work and organization of the proposal		40 pts
▪ Criteria c. Experience of similar assignment		40 pts
▪ Criteria d. Previous work experience in Africa/ Ethiopia		10 pts
Financial (Lower Offer/Offer*100)	30%	

Total Score	Technical Score * 70% + Financial Score * 30%
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XII. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL

For purposes of generating quotations whose contents are uniformly presented and to facilitate their comparative review, a prospect consultant is given a proposed **Table of Contents**. Therefore, prospective consultant Proposal Submission must have at least the preferred contents which are outlined in the Proposal Submission Form incorporated hereto.

TECHNICAL PROPOSAL COVER PAGES

Cover Page

Cover Letter

SECTION I. TECHNICAL PROPOSAL SUBMISSION FORM

- 1.1 Letter of Motivation
- 1.2 Proposed Methodology
- 1.3 Past Experience in Similar Consultancy and/or Projects
- 1.4 Implementation Timelines
- 1.5 List of Personal Referees
- 1.6 Bank Reference

SECTION II. ANNEXES

Annex a. Duly Signed Offeror's Letter to UNDP Confirming Interest and Availability (use the template hereto) – use separate pdf file

Annex b. Duly Signed Personal CV's/P11 (use the template hereto) – use separate pdf file

Annex c. Financial Proposal – BREAKDOWN OF COSTS Template (use the template hereto)
use separate pdf file

XIII. CONFIDENTIALITY AND PROPRIETARY INTERESTS

The consultant shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the service without prior written consent. Proprietary interests on all materials and documents prepared by the consultant under the assignment shall become and remain properties of UNDP.

XIV. HOW TO APPLY

Interested consultant with required qualification and experience must submit their applications through: <https://etendering.partneragencies.org> UNDP/ETH10/Event ID: **ETH2360**