

INDIVIDUAL CONSULTANT PROCUREMENT NOTICE
IRQ



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Date: 11 August 2021

Reference Number:	IRQ10-065/21
Title of Consultancy:	MSME Development Consultant
Consultancy type:	International
Country:	Iraq
Duty Station:	Home-based, with possible mission travel to Baghdad-Iraq
Period of assignment/services:	3 months (September to November 2021)
Estimated Starting Date:	01 Sep. 2021
Project name	Iraq Accelerated MSME Development Project 2021-2025
Proposals should be submitted:	24 Aug. 2021

1. Background

The Iraq economy is dominated by the oil industry, which accounts for over 90 percent of government revenue and 80 percent of foreign exchange earnings. However, a sustainable economic base needs to create an economic structure based on varied industries of different sizes. This is expressed in the National Development Plan – NDP 2018-2022. Also the challenges of unemployment need to be solved by instigating realistic policies that allow Iraqis outside the current workforce to have opportunities through enterprise initiatives to create a non-oil economy that can create jobs and be sustainable at the same time.

Current statistics published by Ministry of Planning, estimate employment population at 42.7% which represents approximately 15.3 Million. The Public sector employs nearly 4 Million (3.1m officially registered as permanent staff and 0.9m estimated temporary contracted staff), leaving 11.3 Million as unemployed, underemployed or employed in the Private Sector. Unemployment rate is 10.8%, while the underemployment is 28%, which combined represents 4.2m, meaning that 7m people are having secured income with the formal and informal private sector.

Within this context the promotion of micro, small and medium-size enterprises (MSMEs), along with the general development of the private sector and other forms of private investment promotion, is crucial for inclusive growth prospect. Provided that a conducive environment is in place, MSMEs can become a sustainable source of employment for women and men. Indeed, many governments have placed MSMEs at the center of growth and job creation strategies to meet the needs of young populations.

The government of Iraq is committed to create a conducive environment for sustainable enterprise development that accommodates firms of all sizes across multiple sectors, recognizes the value of MSMEs, and promotes the entrepreneurial mindset to enable achieving successful private sector development. As such, the development of MSMEs will be a major component in a comprehensive strategy designed to diversify the Iraqi economy and promote the creation of more productive and decent jobs, including for youth and for women.

Most MSMEs in Iraq are informal. This limits their growth potential and development impact because formality is essential for providing support to MSMEs in terms of access to financing, business development and globalization, access to technology and innovation and other growth opportunities.

The Government of Iraq supported by international donors will continue to play an important role in regulatory, policy and financing reforms in support of MSMEs to enable this sector to grow and prosper and to become a fundamental contributor to employment and to building Iraq's sustainable economic base.

A comprehensive MSME survey was completed in Iraq in March 2021 and provides in-depth insight and characterization of the informal sector in Iraq. Accordingly, a set of recommendations were developed to grow the MSME sector and enhance its performance through improving its financial, technical and management capacity, and capacity to compete in the national as well as regional and international markets.

This requires the development of a project document that capture and formulate what needs to be done at the macro, meso and micro levels in the short-, medium- and long-term, with a focus on implementation during the period 2021-2025. This necessitates the alignment of this project's output with other ongoing interlinked UNDP projects such as the work on labor market development, facilitation of MSMEs access to finance, and the initiatives aiming at promoting the transition of the informal economy to formality.

Within its mandate, the UNDP country office in Iraq intends to scope and launch a project to support initiatives, strategies and policies, which reflect the primary aim of supporting MSMEs in Iraq to enhancing their role in the economic and social development.

2. Project Objectives:

To prepare a compelling project document to formulate a holistic and integrated MSME development project that supports a cohesive strategy for the sector for horizon 2025; the project should lead to laying the foundation for a sustainable economic base in Iraq by creating a growing and vibrant private sector.

The project document shall address the salient short, medium and long-term challenges and impediments to MSME development at macro, meso and micro levels, and shall formulate a set of appropriate and cohesive initiatives that when implemented together are expected to achieve the intended outcomes.

The project shall result in a significant change to enable MSMEs to spearhead economic growth, grow employment opportunities especially for youth and women, and leverage innovation and technology use to drive competitiveness, improve efficiency, reduce costs and enhance product and service quality.

The Consultant is required to scope, design and plan a program of interrelated and complementary interventions to support MSMEs in Iraq in terms of strengthening their capacity, enhancing their access to finance and markets and facilitation of their ability to do business in the short, medium and long run, and supporting the creation of conducive business climate. This shall be done within an impact framework aligned with national objectives to be identified within the context of this assignment, taking into consideration the differential needs of micro, small and medium enterprises. Below are some indicative examples of objectives:

- Strengthening MSME capacities to improve their competitiveness in domestic, Regional and global markets.
- Job creation with emphasis on job opportunities for women and youth.
- Fostering innovation and entrepreneurship and support development and growth of innovative clusters.
- Promoting inclusive, diversified and sustainable economic growth that ensures economic resilience to international oil price volatility and associated risks.
- Supporting funding schemes for MSMEs.
- Strengthening government institutions that promote MSMEs operations.

3. Scope of Work:

The major task of the consultant is to develop a detailed and comprehensive project document. The proposed project, which may be phased as short, medium and long term is expected to have the following indicative components:

i. MSME Capacity Development

- Developing business leaders and entrepreneurs in terms of technical and managerial skills
- Firm-level capacity development (business and financial planning, marketing skills, utilization of digital solutions, etc.)
- Networking, innovation and technological capacity development.

ii. Access to Growth Opportunities

- Access to market opportunities - internal and external markets, including value chain development and integration.
- Access to business development and support services
- Access to finance (based on inputs provided by another consultant)
- Access to appropriate business infrastructure, including digital infrastructure
- Support transition of informal enterprises.

iii. Conducive Operating Environment

- Creating enabling environment for private sector development particularly conducive to MSMEs. This shall include improved regulatory framework and more responsive public institutions to MSME needs.
- Advocacy/ representation of MSME interests, strengthening their representativeness in business associations;
- Promoting women's entrepreneurship.

iv. Stakeholder mapping

- Mapping of MSME policy, support, and programmatic work by national and international stakeholders.

In the project document, the consultant shall incorporate key needed initiatives identified in the MSME study report recently undertaken by UNDP Iraq, such as:

Under the first theme (capacity development):

- Leadership development of entrepreneurs.
- Skills development and other productivity enhancements at the firm level, with an assessment on how can the TVET system be made more relevant to MSME development.

- Addressing gaps in the role and capacity of the relevant state institutions in supporting MSMEs attaining international quality standards and business requirements.
- Provide support for the creation and growth of networks and clusters that can introduce MSMEs to new technologies, products and processes, and provide access to advance services and technical laboratories.

Under the second theme (access to growth opportunities):

- Improving business development and support services, including business incubators and innovation centers.
- Improving cross border and international trade procedures to enhance integration of MSMEs in global and regional supply chains, reduce costs and facilitate export.
- Helping identify the economic sectors through analysis of revealed and potential comparative advantages and of product space that can have relatively higher impact on MSME growth and job creation and improving economic policies at Federal and Local levels focusing on these sectors.
- Encouraging and supporting MSMEs to benefit from domestic and external markets growth through targeting technical and financial support to sectors that are able to establish value chains within priority non-oil sectors, including potentially agrifood, building and construction, manufacturing, IT, transport and communications and tourism, among others.
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- Improving access to finance including dedicated MSME credit lines, credit guarantee schemes, strengthening the capacity of microfinance institutions, venture capital, group-based collateral schemes enhanced through digitization, etc. (based on inputs provided by another consultant).
- Assess MSME's access to digital infrastructure and propose a roadmap to further it.
- Providing support for MSMEs to benefit from e-commerce opportunities.

Under the third theme (conducive operating environment):

- Improving the legal, regulatory and administrative requirements for MSMEs, including RoL, contract enforcement, bankruptcy, as well as international and regional trade and investment.
- Reform of taxation administration as it relates to MSME development.
- Improvements in the functioning and transparency of ministries and public agencies that regulate the economy and service provision for MSMEs.
- Strengthening representation of MSMEs through business membership organizations and networking.
- Make public administration responsive to MSME needs. Adapt public policy tools to MSME needs and facilitate MSME participation in public procurement.
- Strengthen coordination mechanisms among public and private sector stakeholders in order to ensure coherence and streamlining of MSMEs support efforts.
- Promoting women's entrepreneurship through dedicated policy-level support.
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- Enhance MSME data collection and M&E system in support of evidence-based policy making.
- Revise and update the Iraqi Private Sector Development Strategy by developing a detailed action plan at the national level as well as for the Kurdistan region.

Under the fourth theme:

- Mapping Entrepreneurship Ecosystem Actors in Iraq (media, finance, governance, support organizations, training, advisory services, etc.)
- Stakeholder mapping of programmatic work in support of MSMEs
- Development of a resource mobilization strategy.

4. Methodology:

The consultant is expected to employ the following methodology and propose additional approaches, if necessary, which would be submitted as part of the deliverables of Task I.

The rationale, analysis of needs and recommendations will be based on:

1. Desk reviews of existing national surveys, studies, policies and strategies, and mapping of engagements in private sector development by development partners and situational analysis, identification of areas of value addition and comparative advantage.
2. Conduct a situational analysis through consultations, meetings and interviews with authorities, MSMEs, and other potential stakeholders at national level and selected regions/governorates.
3. Review of international best practices in supply and demand sides.

The consultant should ensure that the proposed program in support of MSMEs and entrepreneurship is realistic in terms of cost effectiveness and is designed to deliver measurable results. The program should be presented within a Theory of Change (TOC) framework in line with UNDP project document templates and associated guidelines, with a set of mission driven interventions and actions and related clear impact and outcomes structure to foster accountability and awareness of potential challenges and opportunities.

The project document will be presented to relevant key stakeholders, including government officials and international donors to gain required support and funding.

An evaluation methodology should be developed within the scope of the assignment. to ensure that the program and the related outcomes and activities are systematically monitored and assessed for their performance in achieving objectives and for their cost-effectiveness.

5. Expected Deliverables and Payments:

The Consultant shall submit the following deliverables to UNDP on the agreed timetable.

Deliverables	Timeline of receiving deliverables	Payments %
Project Document Outline, with detailed methodology/ approaches and work plan (1. Propose and Agree on project document structure (2. Identify stakeholders to participate in consultation)	By 20 Sep. 2021	-
Draft Project Document and present the draft to stakeholders identified by the country office. (1. Desk review, consultations, define mission, define program and objectives (2. Project scoping for the short, medium- and long-term including initiatives timelines, outcomes, indicators, and targets, etc.)	By 10 Nov. 2021	60%
Final Document (Complete project document, taking into consideration comments and suggestions received during the presentation of the draft project document)	By 30 Nov. 2021	40%
Progress reports	The consultant presents, in writing, the status of work every two weeks	-

The price proposal should be an “all-inclusive” lump sum fixed rate. In case, the consultant needs the translation of the material into Arabic & Kurdish, UNDP will bear the cost for the translation separately. The payment is deliverable based, i.e. upon satisfactory completion and UNDP’s acceptance of the deliverable. Each payment claims must be approved by the UNDP focal point and head of Economic Diversification Portfolio. UNDP will make the payments within 30 days from receipt of invoice

- **Travel and accommodation:**

Travel to and within Iraq, visa cost, daily living cost in Baghdad and Erbil including accommodation in UN cleared hotels should be detailed and be inclusive of the lump sum fee proposed by the Consultant.

- **Reporting:**

The assignment will be facilitated by the UNDP Iraq, and will appoint a counterpart to channel, and coordinate all needed communication between the Consultant and the CO and the local institutions in Iraq. The consultant will be reporting to the UNDP CO in Iraq and will be regularly consulting with the Regional Chief Economist for technical guidance.

- **Contract Duration:**

The assignment will be for over a period between September and November 2021. And will be home based assignment with possible mission travel to Baghdad. Starting from the date that work is assigned to the consultant by the Project Manager. The consultant is expected to start beginning of September 2021.

A. Education and Professional Qualifications Required:

- A minimum of master’s degree in Business Administration, Economics, Finance, or related fields.

B. Experience Required:

- Minimum 10 years relevant experience at the national or international level in providing management advisory services, hands-on experience in design, monitoring and evaluation of MSME, private sector development projects and related policy reforms.
- Proven experience in developing performance indicators in private sector development projects at the sectoral and organizational levels.
- Demonstrated experience in coordination and in working with donors and government entities.
- Proven experience in public sector regulatory reform for MSME/private sector development.
- Experience with Results Based Management principles and approaches
- Proven experience in analyzing MSME-related data, surveys and statistics and assessing/requirements and translate them into strategic goals and objectives.
- Managerial experience with the UN or IFIs is an advantage
- Experience in crisis-affected countries is required. Experience with Post-Conflict Needs Assessment process and/or post-conflict reconstruction framework is highly desirable.
- Experience in designing projects and programmes implemented by UN/DP is advantageous.

C. Competencies Required:

Corporate:

- Demonstrates integrity and fairness,

- Promotes the vision, mission and strategic goals of the UN and UNDP;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Treats all people fairly.

Functional:

- Strong analytical skills
- Excellent writing, editing and research skills;
- Proficiency in use of word-processing software to write, edit and format
- High level logical and methodological organizational skills and the ability to multi-task;
- Ability to work in a high-pressure working environment with frequent urgent deadlines;
- Proactive approach to delivering tasks and the ability to work without supervision except for liaison with UNDP CO Iraq.

Client Orientation and Communication:

- Strong oral and written communication skills;
- Excellent interpersonal and networking skills and the ability to establish and maintain effective working relations;
- Supports and encourages open communication and responds positively to critical feedback and differing points of view;
- Ability to work in a multi-cultural environment and to communicate sensitively across different constituencies and awareness of political sensitivities;
- Builds strong relationships with clients and external actors.

D. Languages Required:

- Fluency in written and spoken English and Arabic

• **Price Proposal and Schedule of Payments**

The consultant shall submit a price proposal as below:

- **Lump Sum Fee** – The consultant shall propose a lump sum fee, which should be inclusive of his/her professional fee and all other costs including visa, travel to and within Iraq, accommodation in UN cleared hotels, living cost in Iraq including local communication cost and insurance (inclusive of medical health insurance and evacuation).

- **Evaluation Method and Criteria**

Individual consultants will be evaluated based on the following methodology:

1. Cumulative analysis

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as:

a) Responsive/compliant/acceptable, and

b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

** Technical Criteria: weight 70%*

** Financial Criteria weight 30%*

Only candidates obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation

Technical Criteria – Maximum 70 points

Technical Proposal (30 marks)

- Technical Approach & Methodology (20 marks) – Explain the understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. The Applicant should also explain the methodologies proposed to adopt and highlight the compatibility of those methodologies with the proposed approach.
- Work Plan (10 marks) – The Applicant should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan.

Qualification and Experience (40 marks) [evaluation of CV]:

- General Qualification (20 marks);
- Experience relevant to the assignment (20 marks);

Only candidates obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation.

Documents to be included when submitting the proposals:

Interested international individual consultants must submit the following documents/information to demonstrate their qualifications in one single PDF document:

- Duly accomplished Confirmation of Interest and Submission of Financial Proposal Template using the template provided by UNDP (Annex II);

- Personal CV or P11, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least three (3) professional references.
- Three writing samples

Technical proposal:

- Brief description of why the individual considers him/herself as the most suitable for the assignment;
- A methodology, on how they will approach and complete the assignment

Financial proposal, as per template provided in UNDP jobsite (Annex II);

- Incomplete proposals may not be considered

Important Note:

If you are interested in submitting a Bid in response to this consultancy services, please prepare your Bid in accordance with the requirements and procedure as set out in this procurement notice and submit it by the Deadline for Submission.

In case you are not registered in the E-Tendering Module, please use the following temporary username and password to register your company/firm:

Username: event.guest

Password: why2change

Bidders, who registered on the e-tendering, will be able to download the complete bidding documents from the e-tendering website at: <https://etendering.partneragencies.org>

“Bidders can download the complete tender documentation from the e-tendering upon registration”

Annexes:

Annex 1 – Procurement Notice-Terms of Reference

Annex 2 - Template Confirmation of Interest and Submission of Financial Proposal.

Annex 3 – Blank P11/CV

Annex 4 – Individual Consultant General Terms and Conditions.