GENERAL INFORMATION

Service Description: International consultancy company (firm) or research institution
Project Title: Supporting Project Inception Phase on Informal Enterprises Transition Towards Sustainable Growth and Formalization in the African, Caribbean and Pacific Regions
Duty Station: Home-based with travel to six target countries
Type of the Contract: International Consulting Firm
Estimated Duration of Assignment: Approximately 80 working days
Duration of Initial Contract: Not exceeding 4 months
Expected Start Date: 01 March 2022
Countries: Central African Republic, Haiti, Mozambique, Sierra Leone, Solomon Island and Sudan.

I. BACKGROUND / RATIONALE

The UNDP Strategic Plan (2022-2025) recognizes the complex, changing development landscape, the impact of COVID19 pandemic and recovery, the evolving needs of its partners and the need for pragmatic responses. It describes how UNDP will respond and support countries to achieve the 2030 Agenda and the Sustainable Development Goals (SDGs) and related agreements. Considering this, UNDP should be agile, flexible, adaptive, and responsive to the complex development challenges and uncertainties. This requires working in partnership with governments, civil societies, and the private sector. The Strategic Plan describes how UNDP can better adapt to a range of country contexts through a series of signature solutions that define UNDP’s core work, its platforms and layout business models that underpin its efforts.

The UNDP Strategic Offer in Africa tries to respond to the ambition captured in the corporate UNDP’s Strategic Plan and is organized around six impact areas. These are: Natural Resource Governance; Youth Employment and Empowerment; Structural Economic Transformation; Sustainable Energy; Climate Change; and Peace and Security. The regional programme document for Africa (2022-2025) pinpoints that fulfilling Africa’s developmental aspirations requires a regional perspective. To facilitate the realization of the desired impact, UNDP provides the necessary capacities, resources and tools through its country offices, regional service centers and regional thematic hubs. The existing UNDP RBA regional program promotes and supports the implementation of private sector engagements and development programs.

The regional programme promotes and implements policies that enable inclusive private sector development through flagship initiatives such as the Africa Inclusive Markets Excellence Centre and the Ecosystem Development Approach, with a particular emphasis on green and digital...
opportunities; support the design and implementation a more proactive engagement of the informal sector; support employability and emerging job opportunities, in particular for young women and men, building on successful collaborations and partnerships; and advance opportunities for women and youth arising through closer regional economic integration.

The informal economy is a dominant feature of the African, Caribbean and Pacific Group of (ACP) countries, representing a significant share of the economy and employment in the respective countries. It accounts for between 50% to 80% GDP in Sub-Saharan Africa, between 20% to 60% in the Caribbean Region, and between 10% and 85% in the Pacific Region. Despite providing employment and income opportunities for many, informal economy employment is generally characterized by low productivity, low income, and high levels of poverty.

The informal economy is also associated with other negative characteristics such as social exclusion, lack of access to services such as finance, limited ability to exert rights, and low visibility. Low productivity of informal enterprises is a structural characteristic in low and middle-income countries. The lack of an enabling business environment (lack of access to public services, business services, training, markets infrastructure and finance) as well as underdeveloped business management and financial skills impairs the productivity of MSMEs and limits their ability to attract capital. A crucial obstacle informal enterprises face in accessing capital is the inadequacy of the financial services offered by the established financial sector actors and systems in the marketplace. The informal economy ecosystem is composed of different inter-connected and interdependent stakeholders whose actions eventually influence informal enterprises’ ability to operate: the existence of gaps within the functioning of the ecosystem hinders this ability.

Against this backdrop, the United Nations Development Programme (UNDP) has designed a four-year project (2022-2025), co-funded and supported by the EU and the Organization of African, Caribbean and Pacific States (OACPS), implemented in partnerships with the International Labour Organization (ILO), to unlock the potential of informal economy for inclusive growth using various approaches such as an ecosystem development approach at macro, meso and micro both at sectoral and national levels.

At the national level, it will develop and support implementation of favorable regulatory conditions and relevant incentives for businesses to formalize; address non-regulatory bottlenecks at the level of informal firms, themselves, among which issues pertaining to lack of awareness and capacity in terms of business skills, financial and digital literacy to adopt available tools to improve productivity and enhance access to finance and to markets; and intervene at the level of key intermediaries in the informal sector ecosystem, in particular aggregators (cooperatives and incubators) and financial intermediaries to create these favorable conditions.

At the sectoral level, support the establishment of a collective action platform in a specific informal economy sub-sector to be selected in each country. The sub-sectors will be selected for its importance within the informal sphere will contribute to identify and address systemic gaps at a localized level to contribute to augment the global interventions for increased impact. The Project will provide mutually reinforcing actions to address cross-cutting challenges impeding informal sector progress, and through stakeholder collaboration mobilize informal sector operators’ capacities, resources, and innovativeness to propel their growth and development. At the micro-

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1 https://thedocs.worldbank.org/en/doc/37511318c092e6fd4ca3c6f00af0bea3-0350012021/related/Informal-economy-Chapter-2.pdf
level, targeted capacity-building and training activities will be provided, in particular to intermediaries and aggregators, to enhance access to relevant services benefiting informal enterprises. South-South and triangular cooperation will also be a key component of the project with the establishment of repositories based on lessons learned from implementation and with the organization of knowledge sharing events to the benefit of all OACPS member countries.

To kick-off the implementation of the project, UNDP seeks the services of an international consulting firm to undertake baseline studies in the six target countries (Central African Republic, Haiti, Mozambique, Sierra Leone, The Solomon Islands, Sudan), and to support preparation of respective countries’ multiyear work plans for the project.

II. OBJECTIVES OF THE SERVICE / WORK

The UNDP Africa Finance Sector Hub (AFSH) seeks to solicit consulting services from an international consulting firm or development research institution to undertake a baseline assessment study in the six target countries (Central African Republic, Haiti, Mozambique, Sierra Leone, The Solomon Islands, Sudan), and support preparation of respective countries’ multiyear budgeted work plans and the holding of validation workshops and global launch event of the project. An information brochure will also be produced.

III. SCOPE OF THE SERVICE / WORK

The project will begin with an inception phase, which will consist in the adaptation of the project activities in six countries for in-depth implementation, the set-up of operational and management structures, the mobilization and formalization of partnership arrangements with relevant institutions in each of the six countries. The consultancy firm is expected to carry out the following activities within the 4 months of the project inception phase:

**Produce a baseline assessment study**, that shall cover all the six target countries, and focus on the impact areas of the intervention. Those focus areas should be derived from and aligned with the project Description of Action.

In particular, for each country and without being exhaustive, the baseline assessment shall collect and compile data and produce actionable information as follows:

- An overview of the regulatory landscape in each country as it pertains to registration, fiscal regime, existing policies to support informal firms, including towards formalization, relevant incentive schemes in order to highlight major challenges and opportunities;
- An overview of key sectors where the informal sphere is represented, the profiles of informal enterprises in those sectors, the relevant intermediaries and aggregators, cooperatives and associations in identified sectors, as well as general market gaps;
- In one selected priority sector in each country, develop an in-depth case study on informal enterprises capturing key stakeholders, market dynamics and relevant systemic gaps to their growth and formalization- the in-depth case study will in particular inform the establishment of an ecosystem platform which will bring together informal enterprises and related stakeholders to structure collaborative action towards addressing common challenges.

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2 If one of the challenges is that the national government is not particularly receptive to the formalization agenda, then the opportunities should include geographies (regional or municipal governments) where the conditions might be more appropriate.
The consultancy firm is expected to mobilize technical capacity at country level to collect relevant primary and secondary data that will inform the findings. The baseline study documents should also be reviewed and validated by respective countries stakeholders including key government representatives, UNDP Country Team, ILO, the private sector and OACPS, EU Delegation as appropriate.

**Produce country-level Multiyear Plan participate and support the organization of country level validation workshops:**

Detailed country-level workplans will be produced, based on the findings of the baseline assessments and consultations with relevant stakeholders. The workplans will inform translation of higher-level activities envisaged in the Description of Action for their detailed and contextualization implementation at country level.

The workshop will aim to validate the findings from the Inception Report and customize activities and to finalize the country-level multiyear workplan including the monitoring framework and budget. The validation workshops will be conducted in each country, the workshop will take place in a hybrid form combining physical presence and virtual interventions as per participants preference. The consultancy firm is expected to provide technical inputs and support coordination and facilitation of the workshop. Following the workshop and based on its conclusions, the consultancy firm will finalize the baseline report, country level workplans, and produce a summary project brochure capturing key report findings, and validated workplan.

**Provide technical inputs to the organization the Global Launch of the project:** Following the country level workshops, the project, which is global in scope will be formally launched. Given the context of COVID-19, a virtual workshop will be conducted to present Inception Report findings, the project timeline, and a plan for the regional dissemination of activities. Stakeholders from all ACP regions will be invited to participate to this virtual event. The consultancy firm is expected to provide technical inputs and documentation as needed during the formal launch event.

### IV. EXPECTED OUTPUTS / DELIVERABLES AND PAYMENT SCHEDULE

The following are the expected deliverables:

<table>
<thead>
<tr>
<th>No.</th>
<th>Deliverables / Outputs</th>
<th>Estimated Duration (worked days)</th>
<th>Review and Approvals Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>- Inception report</td>
<td>10</td>
<td>UNDP</td>
</tr>
<tr>
<td>2</td>
<td>- Approved baseline studies/assessments (six countries) in English or French as relevant</td>
<td>28</td>
<td>UNDP</td>
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<tr>
<td></td>
<td>- Approved multi-year budgeted work plans (six countries) in English or French as relevant</td>
<td>15</td>
<td>UNDP</td>
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<tr>
<td></td>
<td>- Validation workshops of baseline studies/ assessments and multi-year work plans (six countries), organization support and production of relevant documentation including draft country level baseline studies and work plans translated in relevant languages</td>
<td>12</td>
<td>UNDP</td>
</tr>
<tr>
<td></td>
<td>Final validated baseline studies/assessment report and budgeted multiyear workplans (English, French and Portuguese as needed)</td>
<td>5</td>
<td>UNDP</td>
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<td></td>
<td>Brochure capturing the baseline study’s findings and validated workplans (English and French)</td>
<td>10</td>
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<td></td>
<td>TOTAL</td>
<td>80</td>
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**V. REQUIREMENTS**

**Company (firm) profile:**
- A minimum of 15 years’ experience in conducting integrated baseline studies pertaining to business environment reform assessments, covering regulation, markets, stakeholders and corresponding solutions in low-income countries in Africa, the Caribbean and Pacific regions, and integrating Covid-19, including gendered, youth and vulnerable groups impact;
- Experience in mobilizing teams in different geographies/countries to work in a coordinated manner.
- Experience in engagement with government and non-government institutions dealing with MSMEs, especially informal enterprises in Africa, Caribbean, and Pacific (ACP) Countries.
- Experience in the preparations project work plans and formulation of communication strategies.
- Experience in stakeholder consultations.
- A minimum of three team (thematic) leaders required.
- Ability to mobilize relevant experts including local experts, who speak the official local languages to collect primary, secondary data and qualitative country context inputs for the baseline studies.
- Ability to collect and analyze large quantities of data within strict and limited time frames and to produce high quality and timely reports.
- Fluency (written and verbal) in English; working command of French, Portuguese and Arabic among the team members.
- Demonstrated experience in preparing project documents including multiyear work plans.
- Prior experience working with target countries governments and private sector in the six target countries is an asset;
- Presence in target countries is an advantage.
- Previous experience of working with a UN agency is an asset.

**Profiles of project team leaders:**

**Business environment policy reform expert**

**Academic Qualifications:** Advanced University degree in development economics, development studies, international development, development finance or related field.

**Experience:**
- A minimum of 15 years’ experience in business environment reform work, with proven research and substantive capacity to analyze policies, and develop strategies related to private sector development and informal economy issues and solutions.
- Proven work and/or research experience in relation to informal enterprises, SME development, inclusive growth and private sector development.
• Proven experience on developing similar baseline studies, research/policy work and/or positions paper on various economic development issues with particular focus on informal economy/sector.
• Familiarity with the development context and status of informal economy in post-Covid 19 context in ACP countries.

Competencies:
• Expert knowledge and experience on analyzing critical socio-economic issues in the context of the SDGs and post-covid recovery strategies.
• Excellent substantive and analytical skills with proven capacity of innovative strategic thinking;
• Proven working experience on conceptualizing and designing strategies, with special emphasis on enterprise development and informal economy issues, as a consultant and/or for international organizations, academia and/or governments.
• Ability to work in a team and in multicultural situations.
• Excellent command of English.

Financial inclusion expert

Academic Qualifications: Advanced University degree in finance, development finance, microfinance, or related field.

Experience:
• A minimum of 15 years’ experience in conducting research and provide expert advice in development finance, financial inclusion, inclusive digital finance, with special focus on MSME and informal enterprise access to finance in low-income countries;
• Practical experience in programs and projects in the field of financial inclusion of MSMEs is an asset;
• Proven experience on developing similar baseline studies, research/policy work and/or positions paper on complex economic issues, with a focus on access to finance.
• Familiarity with the development context and status of informal economy in post-Covid 19 context in ACP countries.

Competencies:
• Expert knowledge and experience on analyzing critical access to finance for underserved markets in the context of the SDGs and post-covid recovery strategies.
• Excellent substantive and analytical skills with proven capacity of innovative strategic thinking;
• Proven working experience on conceptualizing and designing strategies, with special emphasis on enterprise and informal economy access to finance issues, as a consultant and/or for international organizations, academia and/or governments;
• Ability to work in a team and in multicultural situations;
• Excellent command of English.

Business and MSME Innovation expert

Experience:
• A minimum of 15 years’ experience in conducting research and provide expert advice on promoting innovation to address development challenges, with a special focus on solutions including digital solutions for MSMEs and informal enterprises related challenges.
• Practical experience in programs and projects in the field of innovation promotion and adoption for MSMEs is an asset;
• Proven experience on developing similar baseline studies, research/policy work and/or positions paper on complex economic issues, with a focus on approaches to leverage innovation and digitalization to support MSMEs is an advantage.
• Familiarity with the development context and status of informal economy in post-Covid 19 context in ACP countries.

Competencies:
• Expert knowledge and experience in analytical work on leveraging innovation to the benefit of MSMEs in the context of the SDGs and post-covid recovery strategies;
• Excellent substantive and analytical skills with proven capacity of innovative strategic thinking;
• Proven working experience on conceptualizing and designing strategies, with special emphasis on innovation promotion and adoption for MSMEs and informal firms, as a consultant and/or for international organizations, academia and/or governments;
• Ability to work in a team and in multicultural situations;
• Excellent command of English.

VI. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the Procurement Notice, qualified consultancy firm is expected to submit both their Technical and Financial Proposals. The technical proposal shall include:

• A track record of similar projects carried out by the consultancy firm and showcase similar baseline studies conducted
• The CVs of key team members
• An outline (not more than 10 pages) showing clear approach and methodology envisaged for the assignment including how the various country studies will be coordinated.

The Consulting firm will be evaluated based on the following criteria:

• Responsive/compliant/acceptable,
• Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non-acceptance of the GTC may be grounds for the rejection of the Proposal.
• Highest Combined Score (based on the 70% technical offer and 30% price weight distribution).

In this regard, the respective weighting of proposals is as follows:

(i) Technical Criteria weight is 70%
(ii) Financial Criteria weight is 30%

Evaluation Criteria:
 Experience of the firm/or institute with ACP countries: **10 points**  
 Educational background of key managerial and technical team members: **15 points.**  
 Understanding of the scope of work as evidenced in the technical proposal: **15 points.**  
 Track record in conducting baseline studies: **40 points.**  
 Track record working on informal economy projects: **20 points**

### VII. PAYMENT SCHEDULE

The qualified consulting firm/institution shall receive lump sum service fees upon certification of the completed tasks satisfactorily, as per the following payment schedule:

<table>
<thead>
<tr>
<th>Installment of Payment/Period</th>
<th>Deliverable Details</th>
<th>Percentage of Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st installment</td>
<td>Inception report</td>
<td>30%</td>
</tr>
<tr>
<td>2nd installment</td>
<td>Approved draft baseline studies/ assessments, multiyear work plans and supporting validation workshops</td>
<td>50%</td>
</tr>
<tr>
<td>3rd installment</td>
<td>Finalized validated baseline studies/assessments report, budgeted multiyear workplans and brochure</td>
<td>20%</td>
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</table>