

Term of Reference Individual Contractor

1. Assignment Information

Assignment Title:	National Consultant on Private sector due diligence for the Innovation Challenge on Business Digitalization and E-Commerce Acceleration
Cluster/Project:	Programme and Results Unit
Post Level:	National Specialist
Contract Type:	Individual Contractor (IC)
Duty Station:	Phnom Penh, Cambodia
Contract Duration:	30 working days (from 20 June to 20 August 2022)

2. Project Background

The Royal Government of Cambodia has undertaken a series of broad-based reforms aimed at strengthening and diversifying the productive sector base and achieving economic/trade-related competitiveness growth. These strategic objectives are enshrined in the national development agenda, articulated by the Rectangular Strategy IV, the National Strategy Development Plan (2019-2023), the Cambodia Trade Integration Strategy Update (2019-2023), and the Cambodia e-commerce strategy which has been launched in November 2020. A common thread running through these policy instruments is the recognition of E-commerce as a driver of private sector growth, both from a domestic-market and international trade perspective.

The potential for e-commerce development is significant in Cambodia, promising to diversify the economy, provide new jobs, and increase financial inclusion, as well as contributing to improved lives and livelihoods. Cambodia has considerable advantages that could be leveraged to create ICT jobs and benefit the national economy. Yet E-commerce is relatively undeveloped compared to Cambodia's neighbors and has not yet contributed to export diversification despite its potential in particular for agricultural commodities, handicrafts, and garments.

Some important considerations have been noticeably constrained the future growth in this sector, though. SMEs, in general, face a lot of challenges ranging from the lack of proper status, high transaction costs, to uncertainty related to incentives and regulations, and particularly e-commerce firms, IT start-ups and other segments in newly emerging areas. Remarkably, access to finance is reportedly the most burdensome and challenging for SMEs to find in the formal lending sector.

In this context, UNDP in collaboration with co-financing support from the Ministry of Commerce, Enhanced Integrated Framework (EIF) and Khmer Enterprise jointly implementing a key components of Cambodia's e-commerce acceleration project (Go4eCam) that aims to boost domestic and international opportunities for small and medium enterprises through a digital platform. Under this component, there are two initiatives: the MSMEs Incubation on Digitalisation Programme and the Innovation

Challenge Programme. The Incubation programme focuses on improving the basic functionalities and capabilities of MSMEs in their entrepreneurship to uptake the e-commerce solution to sell online domestically and internationally. Meanwhile, the Innovation Challenge will offer 70 awards, with a maximum prize of up to USD 5,000 per awardee, through the Innovation Challenge modality aiming at helping those MSMEs with no and little access to formal lending and to demonstrate the benefits the SMEs could gain by going digital and by doing so, they could reach out to wider markets and clientele.

Regarding the Innovation Challenge implementation status, the programme runs in two cohorts. Cohort 1 has completed the selection process by identifying 30 awardees, who will take three months to complete their innovation projects. In parallel, cohort 2 is calling for application until 15th May. It is expected that the remain 40 awardees will be identified through a complete selection process by late May or early June 2022. In accordance with UNDP's private sector partnership principle, due diligence is a compulsory step to assess on potential risks associated with each private sector company as well as the partnership with UNDP.

Therefore, UNDP is currently seeking a National Consultant to perform due diligence for up to 70 MSMEs, who are selected awardees in the Innovation Challenge programme in both cohorts.

3. Scope of Work

The main objective of the proposed assignment is to conduct risk assessment for private sector entities for UNDP Cambodia. The assessment will cover up to 40 in cohort 2. The consultant will be provided with UNDP's standard due diligence template for this assignment.

The assignment includes a sequence of, but not limited to, the main activities as below:

- Perform first draft DDs for up to 40 selected MSMEs using the provided template
- Submit the due diligence reports to UNDP for their review and feedback
- Deliver final draft DDs incorporating comments from the UNDP team

4. Expected Outputs and Deliverables

DELIVERABLE	Estimated Duration of works	Target due date	Review and Approval Requires
Output 1: Successfully deliver first draft DDs of up to 40 MSMEs awardees in the Innovation Challenge cohort 2	15 days	15th July 2022	Technical/ Project Coordinator, Program Analyst, and Head of Programme and Results Unit
Output 2: Successfully deliver final draft DDs by incorporating comments from the UNDP team of up to 40 MSMEs awardees in the Innovation Challenge cohort 2	15 days	30th July 2022	

DELIVERABLE	Estimated Duration of works	Target due date	Review and Approval Requires
Total:	30 days		

5. Institutional Arrangements

The consultant will be working under the direct supervision of the UNDP's Technical/Project Coordinator and will also be working closely with UNDP Programme Analyst. The consultant will be reporting on a regular basis, verbally or written communication, throughout the assignment. The deliverables will be reviewed by the Technical/Project Coordinator, Programme Analyst, and subsequently approved by the Head of Programme Unit of UNDP based on confirmation of satisfactory outputs from the reviewers.

6. Duration of Work

The successful consultant will commence the assignment as soon as the procurement process is completed, and the contract is signed. The duration of the work is estimated at 30 working days over the period from 20 June to 20 August 2022.

7. Duty Station

All assignments under the Contract will be based in Cambodia, principally in Phnom Penh. The consultant may work from home or find alternative working location at his/her own arrangement and expense. In case any mission would be needed, travel and accommodations costs for the consultant will be borne by UNDP in line with UNDP travel regulations.

8. Qualification of Consultant

Education	<ul style="list-style-type: none"> At least Bachelor's degree (or equivalent) in business administration, private sector development, social science, management, ecommerce, economic, or other related fields
Experiences	<ul style="list-style-type: none"> Minimum 5 years of combined working experiences in working with or research on MSMEs related topics in Cambodia Demonstrate in-depth understanding of Cambodia's private sector development and MSMEs development. Proven extensive networks or/and ability to establish and maintain partnership with government partners, private sector, business association, and other relevant parties/development donors
Competency	<ul style="list-style-type: none"> Analytical skills, knowledge of e-commerce environment or ecosystem Strong analytical mind and understanding of business-related requirements and constraints, with a focus on addressing them through training and capacity development measures

	<ul style="list-style-type: none"> • Be able to communicate with different stakeholders • Ability to adapt to different circumstances and to changes in internal and external environments
Language Requirements	<ul style="list-style-type: none"> • Khmer is mother tongue, plus written and spoken English

Criteria for Evaluation and Selection section

Technical Evaluation Criteria	Obtainable Score
At least Bachelor's degree (or equivalent) in business administration, private sector development, management, ecommerce, economic, or other related fields	20
Minimum 5 years of combined working experiences in working with or research on MSMEs related topics in Cambodia	30
Demonstrate in-depth understanding of Cambodia's In-depth understanding of Cambodia's private sector development and MSMEs development	30
Proven extensive networks or/and ability to establish and maintain partnership with government partners, private sector, business association, and other relevant parties/development donors	20
Total Obtainable Score:	100

9. Schedule of Payment:

Deliverable	Target due date (Approximately)	Payment Amount
Upon satisfactory completion of output #1	15th July 2022	50%
Upon satisfactory completion of output #2	30th July 2022	50%
TOTAL		100%