



## TERM OF REFERENCE (ToR) FOR THE RECRUITMENT OF INDIVIDUAL CONTRACTOR (IC)

### GENERAL INFORMATION

<b>Services/Work Description:</b>	Recruitment of Consultant to conduct research and prepare a report on Informal MSMEs and AfCFTA
<b>Project/Program Title:</b>	Exploring the prospects for better integration of Informal MSMEs in value chains under the AfCFTA as a means to boost trade, jobs, businesses, and inclusive growth
<b>Post Title:</b>	International Consultant (IC) <b>Group of Individuals and/or Firms are not eligible for this consultancy assignment (only at an individual level)</b>
<b>Consultant Level:</b>	<b>Level C</b> (Senior Specialist)
<b>Duty Station:</b>	Home-based
<b>Expected Places of Travel:</b>	<b>With possible travel of Addis Ababa if situation permits</b>
<b>Duration:</b>	30 working days distributed over 3 months
<b>Expected Start Date:</b>	Immediately after Signing the Contract and/or indicate range of months the consultancy assignment supposed to be commenced

### I. BACKGROUND / PROJECT DESCRIPTION

UNDP works in about 170 countries and territories supporting partner countries to achieve the eradication of poverty, the reduction of inequalities and the achievement of the Sustainable Development Goals (SDGs). More specifically, UNDP supports partner countries to develop policies, leadership skills, partnering abilities, institutional capabilities and building resilience to sustain development results.

UNDP's Regional Service Centre for Africa (RSCA), Addis Ababa, Ethiopia (serving 46 Country Offices in sub-Saharan Africa) develops high quality knowledge and policy products, and is the organisation's main interface with regional and continental bodies such as the African Union and the Regional Economic Communities. The RSCA also implements a newly launched, continent-wide Regional Programme supporting Africa's transformational agenda in the following priority areas, namely:

- Priority 1 – People. African citizens (especially women and youth), in a context of reinvigorated social contracts, have a stronger voice and influence in African Union, regional economic communities and regional mechanisms policymaking and implementation processes.
- Priority 2 – Prosperity. African citizens (especially women and youth) benefit from a regionally integrated, structurally transformed, and inclusive economy.

- Priority 3 – Planet. African citizens (especially women and youth), supported by the African Union and regional economic communities and regional mechanisms, build a resilient Africa.
- Priority 4 – Peace. African citizens (especially women and youth), supported by the African Union and regional economic communities and regional mechanisms, achieve measurable progress towards sustainable peace.

The Regional Programme for Africa is firmly aligned with addressing the multidimensional challenges faced with a strong emphasis on the eradication of poverty and the reduction of inequalities by accelerating the structural transformation of economies. These priorities are being strongly integrated into the focus areas of the UNDP RSCA Inclusive Growth (IG) Team, which, under priority 2 above, increasingly supports regional development that is inclusive and transformational, but also sustainable and resilient in eradicating poverty and reducing inequalities over time.

Moreover, the UNDP’s Strategic Plan 2022-25, UNDP’s Renewed Strategic Offer for Africa and the Regional Programme for Africa all demand that the IG team collaborate more robustly within and across UNDP RSCA thematic teams to generate and deliver a more integrated package of services on priority IG thematic areas, namely, employment creation, informal and formal MSMEs, social protection, structural economic transformation, and regional trade in the context of African Continental Free Trade Agreement (AfCFTA).

Two key areas of IG Team’s work, which hold great promise for spurring on inclusive structural transformation and growth are trade and regional integration (in the context of AfCFTA) and the potential to integrate and enable informal enterprises – which are the backbone of African economies. The IG Team is therefore looking to hire a consultant to explore the potential role of informal MSMEs in regional trade and based on this research provide recommendations on the entry-points into integrating them into AfCFTA as a means to promote value added, boost trade, jobs, businesses, and inclusive growth,

The IG Team’s initial thinking is to approach the issue of informal MSMEs and regional trade from three angles, which can subsequently inform how best UNDP can develop its support, including: (i) *the production side* – where and how to integrate informal MSMEs producing goods and services from the current baseline into formal trade value-chains in AfCFTA; (ii) *the trading side* – where and how to support MSMEs engaged in informal cross-border trade to formalize and comply with the AfCFTA rules to fully benefit from the free trade regime; and the third cross-cutting angle, (iii) *the infrastructure side* – where and how to support integration of informal MSMEs into regional value-chains and AfCFTA through provision of infrastructure (storage and processing facilities) and digital solutions (information, finance, market access, networking platforms, e-commerce, etc.). Through these three perspectives, the study will consider different entry points for UNDP support which will be based on the findings and in consultation with the IG Team. RSCA. Examples include: the role of cooperatives, the role of ICT, digitalization and data, the specific context of borderland communities, application of rules of origin to informal trades including through simplified trade regimes, and how to harness valuable market information of informal MSMEs.

The overall objective of this research is, therefore, to understand the challenges faced by informal MSMEs from different perspectives mentioned above, what are gaps to overcome and realize opportunities for informal MSMEs to play a more formidable role in increased trade through AfCFTA. Follow-up actions and support by the IG Team will be designed based on the findings of this research.

## **II. SCOPE OF THE WORK**

Under the supervision of the Policy Advisors on Informality and Trade, IG Team UNDP RSCA, and in close collaboration with the IG Team Economic Analyst, the select consultant will develop a research report on

prospects for better integration and benefits to informal MSMEs in AfCFTA, by undertaking the following tasks:

1. Hold consultative sessions with IG Team and other potential collaborators and gain a good understanding of the task at hand.
2. Develop a draft annotated outline for the research report to be shared with the IG Team for feedback and approval.
3. Conduct a review of existing literature, sex- and age- disaggregated data and analysis to identify initial 'areas' (sectoral and/or geographical) with significant potential for inclusion of informal MSMEs into regional trade value-chains, through the lens of three angles (production, trade and infrastructure). Literature review to be complemented by consultations.
4. Compile the findings into a draft zero report, that points to how informal producers and traders can be readily integrated and achieve high impact within the identified areas, including considering how infrastructure can serve to boost both trade and inclusion. Share the report with the IG Team for review.
5. In further consultation with the IG Team select the priority areas that will be the subject of further research of the specific challenges and gaps that need to be addressed for facilitation of integrating informal MSMEs in regional trade/AfCFTA. Develop a first draft of the report.
6. Hold follow-up meeting with the IG Team Policy Advisors and Economic Analyst and share the analysis and findings from research into specific themes/areas for an interactive review of the report, and ways to further hone-in on key issues, especially the identification of entry points for UNDP support.
7. Through further research into IG programmatic document and service offers as well as consultations with IG Team and broader set of expertise (where required), develop specific recommendations for UNDP in terms of identifying specific entry-points where follow-up support is required.
8. Share the second draft of the report with IG Team for review and feedback.
9. Finalize the research report and present to the IG Team and selected stakeholders for validation.

### III. EXPECTED OUTPUTS AND DELIVERABLES

No.	Deliverables / Outputs	Estimated Duration to Complete	Review and Approvals Required ( <i>Indicate designation of person/Unit who will review output and confirm acceptance</i> )
1	Submission of the annotated outline	5 Working days	IG Team Policy Advisors, UNDP RSCA
2	Submission and approval of first draft of the research report	10 Working days	IG Team Policy Advisors, UNDP RSCA
3	Submission and approval of the second draft of the research report	10 Working days	IG Team Policy Advisors, UNDP RSCA
4	Submission and validation of the finalized research report	5 Working days	IG Team Policy Advisors, UNDP RSCA

### IV. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

- a. The consultant will work under the guidance of the Policy Advisor on AfCFTA and Informality, IG Team, UNDP RSCA. The consultant will work closely with the Economic Analyst, IG Team who will assist in

management and coordination of the research project. The consultant ultimately reports to the Policy Advisors on Informality and Trade who will provide approval on and acceptance of outputs.

- b. If necessary, the consultant is expected to engage with key internal and external partners where there is a need for consultations, upon IG Team's recommendation.
- c. The consultant will be supported throughout the process of developing and finalizing the research report through access to key documents, knowledge resources, IG Team staff, as well as contacts and consultation arrangements with internal and external partners.

## **VI. DURATION OF THE WORK**

- a. The duration of work will be for 30 effective person-days as laid out in III above.
- b. An estimated 5 working days lead time will be allowed for the IG Team to review outputs, give comments, certify approval/acceptance of outputs, etc.

## **VII. QUALIFICATIONS OF THE SUCCESSFUL INDIVIDUAL CONTRACTOR (IC)**

### **a. Education:**

- Master's degree in development studies, economics, public policy, international relations or a related area.

### **b. Experience:**

- A 7 solid years of research experience in topics related to trade, informal MSMEs and entrepreneurship, value-chains, etc. in African country or regional context.
- Demonstrated experience in delivering innovative, solutions-driven research analysis to inform development support.

### **c. Language:**

- Excellent knowledge of English, including the ability to set out coherent and compelling descriptions and arguments;
- Capacity to communicate fluently with thematic and programmatic experts in the relevant fields;
- Proficiency in French will be considered a strong asset.

### **d. Functional Competencies:**

- Knowledge of the diverse development constraints, challenges and opportunities related to the informal economy and trade in Africa.
- Extensive experience in research, qualitative and quantitative data, and strategic level analysis.
- Hands-on research experience with informal economy actors, civil society, local communities and/or vulnerable groups will be considered an asset.
- Capacity to work in multicultural settings and engage with a diverse set of stakeholders.
- Strong communications, networking and teamwork skills.
- Ability to work with flexibility and deliver on a tight deadlines schedule are also assets.

### **e. Core Competencies:**

- Demonstrates integrity by modelling the UN's values and ethical standards
- Promotes the vision, mission, and strategic goals of UNDP;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability
- Treats all people fairly without favouritism;
- Fulfils all obligations to gender sensitivity and zero tolerance for sexual harassment.

**Important Note:**

The Consultant is required to have the abovementioned professional and technical qualifications. **Only the applicants who hold these qualifications** will be shortlisted and contacted.

**VIII. CRITERIA FOR SELECTING THE BEST OFFER**

Upon the advertisement of the Procurement Notice, qualified Individual Consultant is expected to submit both the Technical and Financial Proposals. Accordingly; Individual Consultants 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
<b>Technical Competence (based on CV and interview)</b>	<b>70%</b>	100
▪ <b>Criteria a.</b> Master’s degree in relevant subject		20 pts
▪ <b>Criteria b.</b> Understanding the scope of work, comprehensiveness of the approach, and organization & completeness of the proposal		15 pts
▪ <b>Criteria c.</b> Seven years of research experience and high demonstration of knowledge relating to the informal economy and trade in Africa		15 pts
• <b>Criteria d.</b> Demonstration of delivering innovative, solutions-driven research analysis to inform development support		15 pts
▪ <b>Criteria e.</b> Proficiency in French		5 pts
<b>Financial (Lower Offer/Offer*100)</b>	<b>30%</b>	30
<b>Total Score</b>	<b>Technical Score * 70% + Financial Score * 30%</b>	

**IX. PAYMENT MILESTONES AND AUTHORITY**

- The prospective consultant will indicate the cost of services for each deliverable in US dollars **all-inclusive<sup>1</sup> lump-sum contract amount** when applying for this consultancy. The consultant will be paid based on the effective UN exchange rate (where applicable), and 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:

<sup>1</sup> The term “All inclusive” implies that all costs (professional fees, travel costs, living allowances, communications, consummables, etc.) that could possibly be incurred by the Contractor are already factored into the final amounts submitted in the proposal

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained	Percentage of Payment
1 <sup>st</sup> Installment	Approved annotated outline	Policy Advisors on Informality and Trade, IG Team, UNDP RSCA	30%
2 <sup>nd</sup> Installment	Approved first full draft of the research report	Policy Advisors on Informality and Trade, IG Team, UNDP RSCA	30%
3 <sup>rd</sup> Installment	Approved finalized version of the research report	Policy Advisors on Informality and Trade, IG Team, UNDP RSCA	40%

## **XI. CONFIDENTIALITY AND PROPRIETARY INTERESTS**

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