

TERMS OF REFERENCE

International Market & Export Advisory services

Introduction and Background

The Government of the Republic of Uganda represented by the Ministry of Finance, Planning and Economic Development, in collaboration with the International Development Association (IDA) and other development partners including the Netherlands, the United Kingdom and Sweden is implementing the Industrial Transformation and Employment (INVITE) project. The Project is financed by IDA and by a Multi Donor Trust Fund (MDTF).

The Project comprises four components: Component 1: Mitigating the Impact of COVID-19 with a focus on the Manufacturing and Exporting Sectors Driving Economic Transformation, including Refugee and Hosting Districts; Component 2: Creating New Product and Transformative Assets including in Refugee and Host Districts; Component 3: Enhancing Capabilities in Public Institutions and Private Firms; and Component 4: Implementation Support, Monitoring, and Evaluation.

Component 3 of the Project focuses on developing firm capacity and expanding access to market opportunities through different interventions targeting exporters (and potential exporters) to identify export opportunities and meet consumer demand through specialized support.

Purpose of the Assignment

The project aims to support exporters and potential exporters through the assistance of both local and international Export Development (ED) consultants. These advisory services will help firms identify export opportunities, meet the requirements to access foreign markets and adapt to consumer demands. The project targets exporters who are willing to diversify or access new markets and firms that have the potential to start exporting. To be eligible for support from the project, firms must produce manufactured or semi-manufactured products with some value addition (commodities are excluded).

The Government of Uganda considers Business Development Services (BDS) providers as key to MSMEs (Micro, Small and Medium Enterprises) growth and competitiveness. However, their recent guidelines also acknowledge the need for quality assurance among this market and highlight the low take-up of MSMEs. The project will address the concerns.

The support to firms will be done in three steps: (1) A need assessment will be done by the ED consultants to identify key areas that the firm needs to work on to start or grow its exports; (2) the firms and the ED consultants will jointly build an Export Development Plan (EDP), and (3) the firms will work with their assigned ED consultant to implement their EDP over a 9-month period.

The project will put in place performance-based contracts with ED consultants. The last payment of these contracts will depend on the completion of activities listed in the EDP and the outcome(s) of the EDP (increase in exporting good, increase of revenues linked to exports, new markets or new products developed for exports).

In addition to consulting support from local consultants, firms may receive support from international consultants that know the targeted export market and have access to specific clients. These ‘foreign based’ services will be provided as part of this scope of work.

These terms of references relate to an assignment with the Private Sector Foundation Uganda (PSFU) for a firm (or consortium) (here called “Consultant”) that will assist PSFU in strengthening the expertise of Business Development Services firms which in turn will help Ugandan firms export. The broader objective is to support the creation of a pool of high-quality Export Development consultants locally.

Objectives of the Assignment

The objectives of the assignment are:

- 1) Strengthen the capacity of the local business development market;
- 2) Supervise advisory services to potential and existing exporting firms to enter into new high value export markets;
- 3) Provide technical assistance and hands-on capacity building to collaborating (Uganda Export Promotion Board) and implementing agency (PSFU)

Scope of Work

The scope of the work for this assignment will primarily include, but not limited to, the following tasks:

Task 1 – Understanding the needs of exporting and potential exporting firms

In a first phase, the Consultant will aim at understanding better the quality of existing ED consultants, the current exporting practices and the main binding constraints of firms that prevent them from growing or entering the export market. The Consultant will focus on 2-3 exporting practices (rather than multiple practices) as this will affect the implementation of the program and its success. The Consultant will conduct a desk review of exporting practices and best practices, focus groups with BDS providers, in-depth interviews with a minimum of 10 BDS providers, focus groups with exporting firms, in-depth interviews with a minimum of 20 firms and interviews with key relevant institutions.

Deliverables include: (1) Minutes of focus groups and interviews, (2) concise report on the needs of exporting or potential exporting firms, (3) concise report on the alignment of BDS services to these needs, (4) taxonomy of services to be provided by ED consultants to firms, (5) recommendations on the upskilling of the ED consultants.

Task 2 – Developing tools for exporting or potential exporting firms

This task will consist of preparing tools to assess the readiness of firms to export, to precisely assess the gaps/areas of improvement of firms, to provide relevant recommendations to firms and to develop a EDP with firms. More precisely, the Consultant will:

Design an in-depth diagnostic tool that looks at the firm's growth strategy and its current business practices that may affect the implementation of its growth strategy. This may among others include the following; Strategic Management; Management and leadership; Business environment; Marketing and sales; Production and operations; Environmental management; Finance; Organizational structure; Human resources; Information management; Quality management and Technological innovation. This diagnostic will be rolled out with the selected exporting and potential exporting firms;

Design a framework to co-construct the Export Development Plan with the firms. For each business practice, this framework will indicate the type of activities that need to be done to be on par with the best practice. In addition, the Consultant will indicate the estimated time of coaching needed by an ED consultant to support the firm in implementing each activity.

Deliverables include: (1) Development of an in-depth diagnostic tool, and (2) Development of a framework to develop Export Development Plans.

Task 3 – Strengthening the capacity of local ED consultants

The Consultant will be in charge of building the capacity of a pool of 50 BDS consultants. To do that, these BDS consultants will need to be selected through a competitive process and assessed properly. At the end of the training, the Consultant will provide recommendations on the BDS BDS consultants that could be part of the program. More specifically, the Consultant will need to:

- Help PSFU to write down Request for Expression of Interest for an upskilling training and a thorough assessment methodology and vetting process. Only the first 50 best consultants will be selected for further capacity building;
- Design training program that are aligned with the current capacity of the 50 selected BDS consultants. The objective of the training program is for the BDS consultants to operationalize the tools, namely the in-depth diagnostic and the EDP and to support the exporting and potential exporting firms to implement their EDP.
- Design a methodology to assess the capacity of the BDS consultants to deliver the proposed support to firms. The Consultant will assess whether the training was assimilated by the BDS consultants;
- Run the training program for the 50 selected BDS consultants;
- Establish a hotline for any potential support during implementation. It should be noted that the support will be quite substantial at the onset of the project and will phase out progressively;
- Organize three workshops after the training program to discuss issues faced by ED consultants, provide refresher sessions, zoom on a specific business practice, etc.

Deliverables include: (1) Methodology to assess the capacity of BDS consultant to deliver the services, (2) Training materials for the BDS training, (3) Report on the training (attendance, feedback from trainers and participants etc.), (4) Test methodology, (5) Recommendations on the top 30 BDS consultants that will be offered a contract (called Export Development consultant or ED consultant), (6) Monthly reports on the hotline, (7) Materials (agenda, presentations, supporting documentation) for each three workshops and reports on each workshop.

Task 4 – Supporting PSFU select exporting and potential exporting firms

Firms will register on the project platform and will be scored on both its export capabilities. Based on this score applicants will be sorted into one of three categories:

- Low exporting capabilities: these are applicants that need support in more basic capabilities before they can benefit from advisory services on exporting practices.
- Medium exporting capabilities: these are the applicants that will be targeted with this program. They meet a minimum for their capacity to export and are likely to benefit from advisory services on exporting practices. Applicants in this category will be invited to enroll in the program.
- High exporting capabilities: these are applicants already on the frontier of exporting practices and advisory services in this area would not add value to the firm. Applicants in this category will be advised to apply to other components or windows of the INVITE initiative.

The Consultant will be in charge of:

- Support the project in designing a questionnaire that captures all relevant aspects that will be used in the scoring;
- Design (adapt) the initial firm-level diagnostic tool based on international and successfully applied export support services (called *Export potential Tool*). This tool will help benchmark firms' export performance or potential to export (a minimum set of areas are included as annex 1 missing add from manual);
- Support the project in rating each applicant and provide recommendations on the 200 MSME that will be eligible for the Export Development support.

Deliverables include: (1) Export potential tool and (2) Draft rating of MSME candidates provided to PSFU.

Task 5 – Complementing the expertise of the local ED consultants

The Consultant will identify and enroll a minimum of 7 experts that are specialized in the selected export markets. The Consultant will be in charge of organizing webinars for exporting firms on specific topics, of coaching some of the local ED consultants, of providing webinars to ED consultants to improve their know-how and of reviewing the EDP. It should be noted that each EDP – done by the firm with the support of its ED consultants – will be reviewed by a key staff of the Consultant and an expert that has expertise in the specific targeted export market.

Deliverables include: (1) a minimum of 4 webinars to MSMEs and/or ED consultants and related materials (presentation, attendance sheet), (2) review of each EDP, (3) a monthly report on the coaching.

Task 6 – Supporting the implementation of the Export Support Program

The Consultant will support PSFU in implementing this program and in ensuring high-quality services are being delivered to exporting and potential exporting firms. This includes:

- The collection of key information on the ED consultants to be displayed on the INVITE platform. The MSME will select one local ED consultant from the platform;
- The design of a formal service agreement between MSMEs and their local selected ED consultant. The service agreement will include verifiable intermediate milestones to incentivize compliance on behalf of both parties. Continuation in the program for both the MSME and the Business Consultant will be contingent on attendance and verifiable milestones. This draft agreement will be presented to all MSME and ED consultant. Features like ‘the percent of the cost being provided by the ED consultant’ or ‘milestones’ etc. will be discussed and adjusted accordingly;
- The signature of a formal service agreement between the MSME and the local ED consultant. Upon signing of the formal service agreement, the MSME will cover the contract advancement and the project will reimburse the MSME 70 percent of the cost of the services provided by the Business Consultant;
- The review of all in-depth assessments and EDP and recommendations to PSFU;
- Spot checks to ensure that the ED consultant is actually meeting with the firm. This will be done following a well-designed methodology (risk assessment of the ED consultant) and number of spot checks being proportional to the risk;
- Adaptation of all tools after the first round to take into account feedbacks and lessons learned;
- The design of key indicators for the Export Development Support program;
- The monitoring and data collection of these key indicators. Data collection could include short phone interviews with firms;
- Collection of feedback from the 200 MSMEs to inform the topics of the workshops to be organized (see Tasks 3 and 5).

The process will be launched at least 4 times over the lifetime of the project, 2 rounds before mid-term of the project and 2 rounds after. Each round shall consist of no more than 200 firms.

- (a) The Consultant will support implementation of systems, performance management, regulatory enforcement, monitoring and data collection, which are critical for the functioning of manufacturing and export supply chains. It will significantly strengthen the link between research, training institutions and regulatory agencies, with lead investors, and private firms; and establish an institutional foundation, which is conducive to firm growth and private investment in manufacturing and export supply chains.
- (b) The consultant will prepare an inception within 6 weeks and submit quarterly progress reports to the INVITE Project Manager.

Deliverables include: (1) One pager for each ED consultant, (2) Draft formal agreement after discussion with firms and ED consultants, (3) List of key indicators, (4) Review of all in-depth diagnostic, (5) Review of all EDP, (6) Quarterly progress reports that include an assessment

of ED consultants, status of EDPs (% of activities listed achieved), results of spot checks, update of the key indicators, (7) adaptation of Export Potential tool, in-depth diagnostic tool, framework to develop Export Development Plans, Registration questionnaire for MSMEs.

Costs of training and workshops will be included in the financial proposal. This includes: training room, printing of materials, IT equipment and lunch for participants, costs of trainers etc. This does not include: hotel rooms for participants, transportation costs for participants and breakfast/diner of participants.

Qualification and experience

The services will be provided by a combination of local experts, and a network of export consultants based in high value markets. These international consultants and networks should be based in the potential markets therefore these can be specified after the firm level diagnostic.

The Firm should meet the following requirements:

- (1) At least 10 years' experience in undertaking related assignments;
- (2) Evidence of having implemented at least 2 similar/ related assignments involving export advisory services reviews/evaluations and undertaking due diligence of proposals and diagnostics of firms, of which one of the assignments should have been undertaken in a Sub-Saharan country, or country with similar economic conditions to Uganda;
- (3) Demonstrated experience in undertaking export orientated enterprises capacity assessments, export market assessments and familiarity with private sector (firm level) export strategies;
- (4) Comprehension of Environmental, Social, Gender and Inclusion policies of the World bank;
- (5) An organogram to demonstrate the firm's technical and managerial capability;
- (6) Demonstrated ability to identify the product export market (demand/supply) and be able to 'walk' from the market back to the farm, going through the entire value chain, i.e., harvesting, post-harvest handling, storage, processing, quality/standards, packaging and delivery/transport-air, road and sea.

Key Experts should meet the following requirements:

i. Team Leader

Is the focal point for every question related to the contract, ensure smooth implementation and quality of the services, coordinate the work among experts, is accountable for any delay related to the Consultant

- The lead consultant should have documented experience of over 10 years in leading the provision of firm level advisory services related to management, finance, production and export marketing.
- A Master's Degree in any of the following areas: Business Administration; Finance, Economics, Engineering and other relevant fields
- 10 years of work experience in Business Administration, Economics, Finance or related field from a recognized institution.
- Experience (5 to 10 Years) in developing and applying firm level export strategies of processed exports to high value markets.
- Experience in managing contracts of similar size and nature.

- Experience working on export market supply chains (standards, regulations, etc.) for international partners in developing countries is an added advantage.
- ii. Junior Project manager**
Is based in Uganda and work with PSFU on a day-to-day basis, reports to the Team leader, nurtures a strong relation with PSFU and ED consultants, drafts minutes, reports, tools under the supervision of the relevant experts, etc.
- A Master’s Degree in any of the following areas: Business Administration; Finance, Economics, Engineering and other relevant fields
 - Experience (2 to 5 Years) in working with BDS providers and/or MSMEs
 - Good knowledge of export market supply chains
 - Excellent interpersonal relations
- iii. Senior BDS Expert**
Is in charge of providing expertise on the tools and methodologies related to business practices, Will be part of the hotline support, Will review In-depth diagnostic of MSMEs, etc.
- Master’s Degree in Business Administration or related course.
 - 7 years’ experience in working with BDS providers and providing technical assistance to them;
 - At least 2 significant experiences in improving business practices of MSMEs. A plus when the objective was to improve business practices for MSMEs willing to export.
- iv. Export expert**
Will closely work with the BDS Expert to adapt the tools to the export markets, Will be part of the hotline support, Will review EDPs, etc.
- Master’s Degree Business Administration or related course;
 - At least 2 significant experiences in working on programs that aim at supporting exporting firms or potential exporting firms;
 - 10 years’ experience in working in exports (support to MSMEs or large firms to enter export markets, relevant research etc.);
 - Good network of international experts working in export markets;
 - Experience in marketing strategies.
- v. Curriculum expert**
Provides support to the team in developing training materials and training BDS providers
- Master’s Degree Business Administration or related course;
 - 10 years’ experience in providing training for business development services;
 - Applying established business training modules.
- vi. Associate Consultants**
- The Associate consultants should have documented experience of over 7 years in any of the areas (Technical review and evaluation techniques of proposals and a

clear understanding about undertaking due diligence of proposals and capacity assessment of Firms.)

- A Master’s Degree in any of the following areas: Business Administration; Finance, Economics, Engineering and other relevant fields.
Knowledge on quality and regulatory aspects related to global commodity trading and export market.

Deliverables and payment schedule

The contract will be on 38 months:

- The first 7 months will be dedicated to developing tools and training BDS providers;
- The first round of the Export Development Support Program will start right away with 200 MSMEs. The first part and second part of the support program (diagnostic and EDP) is expected to take about 2 months and support of the ED consultants for firms to implement their EDP to take about 9 months;
- Every 6 months a new round will be launched. In total, the project will organize 4 rounds of support to MSMEs.

Deliverables under each round will include:

- Mid-term deliverables: review of all in-depth diagnostic (Task 5), review of all EDP by both the Consultant and international expert (Task 5 and Task 6), completion of monthly reports on the hotline (Task 1) and coaching (Task 5), 1 webinar organized by international experts (Task 5), 2 quarterly reports (Task 6),
- Completion deliverables: completion of monthly reports on the hotline (Task 1) and coaching (Task 5), 3 webinars organized by international experts (Task 5), 2 quarterly reports (Task 6).

Deliverables	Estimated date	Percentage of the contract
Inception report	Two weeks after the contract’s signature	10 %
Deliverables related to Task 1: Minutes of focus groups and interviews, concise report on the needs of exporting or potential exporting firms, concise report on the alignment of BDS services to these needs, taxonomy of services to be provided by ED consultants to firms, recommendations on the upskilling of the ED consultants.	2 months after the contract’s signature	5 %
Deliverables related to Task 2: Development of an in-depth diagnostic tool, and Development of a framework to develop Export Development Plans	4 months after the contract’s signature	10 %
Deliverables related to Task 4: Draft questionnaire to score the firms; Export potential tool	5 months after the contract’s signature	5 %

Part of the deliverables related to Task 3: Methodology to assess the capacity of BDS consultant to deliver the services, (2) Training materials for the BDS training, (3) Report on the training (attendance, feedback from trainers and participants etc.), (4) Test methodology, (5) Recommendations on the top 30 BDS consultants that will be offered a contract (called Export Development consultant or ED consultant)	6 months after the contract's signature	15 %
Deliverables related to Task 6: One pager for each ED consultant, Draft formal agreement after discussion with firms and ED consultants, List of key indicators & Draft rating of MSME candidates provided to PSFU	7 months after the contract's signature	5 %
Deliverables related to <i>Mid-term</i> of round 1 & 1 workshop organized with BDS providers (Task 1) & Draft rating of MSME candidates provided to PSFU for the launch of round 2	14 months after the contract's signature	10 %
Deliverables related to the <i>Completion</i> of round 1 & Deliverables related to <i>Mid-term</i> of round 2 & Draft rating of MSME candidates provided to PSFU for the launch of round 3	20 months after the contract's signature	10 %
Deliverables related to the <i>Completion</i> of round 2 & Deliverables related to <i>Mid-term</i> of round 3 & Draft rating of MSME candidates provided to PSFU for the launch of round 4 & Adaptation of the tools (Task 6)	26 months after the contract's signature	10 %
Deliverables related to the <i>Completion</i> of round 3 & Deliverables related to <i>Mid-term</i> of round 4	32 months after the contract's signature	10 %
Deliverables related to the <i>Completion</i> of round 4 & Completion report	38 months after the contract's signature	10 %

Quality Assurance

The Consultant will be required to demonstrate in their proposal, evidence of adoption of use of a Quality Assurance System (ISO 9001 or equivalent) as well as to describe how quality control will be implemented in the course of the project.

Institutional Framework

The consultant will work closely with the **EFS Coordinating Committee** comprising membership from the Uganda Export Promotion Board (UEPB), Ministry of Trade, Industry and Cooperatives (MTIC), and PSFU (PCU). For all work-related assignments, the consultant shall deal with PSFU through the delegated authority including the Project Coordination Unit and the Component Manager – EFS.

Reporting: The consultant shall report to the Component Manager ESF at PSFU.

Example of a possible payment schedule for a ED consultant

Payments of the Firm will be done on a performance basis.

1st instalment: 10% of contract price to be paid by client upon signing of contract and submission of an acceptable inception report within 14 days of contract commencement;

2nd instalment: 20% of contract price to be paid by client upon: (i) successful completion of all training Needs assessment and Scope of Support onto the Dashboard within 40 days after receiving the list of MSMEs, and (ii) a successful audit of all the need assessments and scope of support documents (to be carried out by the Monitoring and Supervision Firm);

3rd instalment: 20% of contract price to be paid by client upon: (i) completion of half of the agreed hours as per the Scope of support and within maximum 6 months after receiving the list of MSMEs and (ii) at least one activity completed;

4th instalment: 20% of contract price to be paid by client upon: (i) completion of all the agreed hours as per the Scope of support and within maximum 10 months after receiving the list of MSMEs and (ii) at least two activities completed;

Final instalment: 30% of contract price to be paid by client upon: (i) submission of performance report by the Monitoring and Supervision Firm on aggregate performance of the pool of MSMEs on the BIG Portal, (ii) successful audit of the implementation of the Scope of Support by the Monitoring and Supervision Firm (MSF) and (iii) the number of points reflected in the BIG dashboard and verified by the MSF. This payment will be made based on the average of accumulated points (the sum of accumulated points for the pool of MSMEs divided by the number of MSMEs). Points are earned by completing activity as per defined in the Scope of Support. The points per activity are fixed by the Project Implementation Unit.

Payment shall be based on the following *average* accumulated points for the pool of MSME:

- 100% of the 30% shall be paid if the MSMEs average accumulated points are above 3;
- 80% of the 30% shall be paid if the MSMEs average accumulated points are between 2.5 and 3;
- 60% of the 30% shall be paid if the MSMEs average accumulated points are between 2 and 2.5;
- 40% of the 30% shall be paid if the MSMEs average accumulated points are between 1.5 and 2;
- 20% of the 30% shall be paid if the MSMEs average accumulated points are between 1 and 1.5;
- No payment shall be made if the MSMEs average accumulated points are less than 1;

The maximum duration of this contract is 12 months and can be renewed based on the performance of the Firm.