

Terms of Reference (TOR)

For the Recruitment of Consultants



GENERAL INFORMATION

Program: Local Economic Development (LED) Programme

Title: Mid-term review for re-designing of the LED Programme and its integration into the EDP

Duty Station: Addis Ababa with short trips to no less than six regional cities.

Duration of Assignment: 30 working days

I. BACKGROUND

The Government of Ethiopia has been implementing the Local Economic Development (LED) Programme since 2009 with financial and technical support from UNDP Ethiopia. The programme aims to promote pro-poor economic growth and sustainable livelihoods, through improving the enabling environment for business development, investment and targeted economic interventions in local cities. The first generation of the programme was conducted for two and a half years in seven cities. Since the first generation was evaluated as having achieved the planned objectives, the second generation of the programme has been implemented since 2012 in twenty seven cities, including twenty new cities, in four large regions (Oromia, Tigray, Amhara & SNNPR), Harari and Dire Dawa.

The focus areas of the programme are; (i) Government's policy review and regulatory capacity in selected sectors strengthened for increased private investment in micro, small and medium enterprises (MSMEs); (ii) Private sector support-giving institutions and MSMEs have improved skills, knowledge, technological capacity and linkages with TVETs and research institutions through Business Development Service Centers (BDRCs) (iii) Value chain and Cluster for MSMEs developed and implemented in selected economic sectors, and (iv) MSMEs have improved access to financial services through the LED Fund.

Out of the four focus areas, the fourth component: access to finance through the LED Fund has had a critical problem of low repayment rates. The rate was as low as 18% at the end of the first generation and 56% at the end of 2013. Since the repayment is essential to assure sustainability of the support for micro and small enterprises, the Steering Committee of the LED Programme agreed to review the system and structure of the LED Fund and analyse the current shortcomings so as to decide corrective measures for improvement and measures.

In parallel with the LED, the Federal Micro and Small Enterprises Development Agency (FeMSEDA) and UNDP launched the Entrepreneurship Development Programme (EDP) in 2013 and rolled out the support programme into 4 regions (Amhara, Oromia, Tigray and SNNPR). The overall objective of the EDP is to bring about transformational change and unleash the growth potential of micro and small enterprises (MSEs) through entrepreneurial and business management skills training and provision of comprehensive business advisory services. An Entrepreneurship Development Centre (EDC) was established in Addis Ababa and the EDP plans to expand its activities nationwide in 2014.

The EDP and LED programmes contribute to a common outcome in the United Nations Development Assistance Framework (UNDAF) as well as the national priorities. In addition, FeMSEDA, the implementing partner of EDP is responsible for the implementation of one of the activities of the LED, (cluster development) and shows willingness to take wider responsibility in the place of Ministry of Finance and Economic Development (MoFED), current implementing partner of the LED. Considering the similarity and complementarity of the two programmes, the Steering Committee of the LED Programme suggested examining the possibility of integration of all activities of the LED programmes into the EDP for better resource utilization and coordination instead of having two parallel programmes. It was also discussed that out of the four focus areas of the LED listed above, the first and the second focus ones seem to have particularly high relevance and potential to be integrated into the EDP.

II. PURPOSE OF THE CONSULTANCY

The purpose of the midterm review is to assess the performances of the second generation of the LED programme and to make recommendation to the Government of Ethiopia and UNDP with special emphasis on (1) possible corrective measures to improve the repayment of rate of the LED Fund and to make necessary adjustment in the LED Fund structure, and (2) Complete integration between the LED Programme and EDP and proposed roadmap.

The Specific objectives include:

1. Review the performance of the second generation of the LED programme and its results achieved, and analyse its strengths, weaknesses, opportunities and threats.
2. Assess the effectiveness of the system of the LED Fund and analyse the cause of the low repayment rate of the LED Fund and propose the corrective measures to recover the loans in the past and guaranteeing repayment of loans in future.
3. Review programme components, structures and governances of LED and EDP and recommend the ways of integration of the LED programme into the EDP. Propose a substantive revision to the existing EDP/LED programme documents and an action plan for this integration.

III. TASKS AND RESPONSIBILITIES OF THE CONSULTANT

Under the overall guidance of the programme manager in UNDP and the national programme coordinator, the consultants will address, but not limited to, the following key points for each objective;

1. Information collection and review of the LED programme

- Conduct the desk review of all the relevant documents including the programme documents of the LED and the EDP, programme reports, UNDAF Strategy, Memorandum of Understandings (MoUs), national policy documents, and strategies.
- Have meetings with all relevant stakeholders in Addis Ababa, such as MoFED, FeMSEDA, UNDP, and EDC.
- Visit at least six LED localities including the capital of each of the four large regions. In each city, meet the stakeholders such as LED Experts, LED regional coordinators, responsible officials in Bureau of Finance and Economic Development (BoFED), Regional Micro and Small Enterprises Development Agency (ReMSEDA), Chamber of Commerce and Microfinance institutes (MFIs). In addition, the BDRCs and one or two beneficiary enterprises in each city need to be visited.
- Based on the information collected, review the effectiveness, efficiency and sustainability of the existing structure and activities including M&E activities, good practices, existing human resources, and contribution to gender equality.

2. Review the effectiveness of the LED Fund and improvement of low repayment rate

- Based on the collected information above, analyse the current repayment rate, compare with the repayment rate of ordinary loans by MFIs in Ethiopia, analyse the reasons behind the low repayment rate, and compare with best practices in other countries.
- As a part of draft assessment report, develop a proposal of change of system or structure of LED Fund including situation analysis, recommendations for the redesign of its governance structure, recommendations on how to improve the repayment rate and action plan.

3. Propose modalities to integrate the LED with the EDP

- Based on the collected information above, analyse the areas of activities of the two programmes that are common or duplicated, the activities that are not common, merit of integration and possible demerit of it.
- As a part of the draft assessment report, develop a proposal for integration of the LED into the EDP with a concrete action plan. The proposal should take the form of a substantive revision to the existing EDP/LED programme documents. If needed, have additional meetings with officials in UNDP, EDC and LED.

4. Submission of the reports and validation in the workshop

- Prepare the draft mid-term review report with a specific focus on the proposal of reform of LED Fund and the integration of LED with EDP.
- Present the draft report in the Stakeholder Consultative Forum
- Reflect the feedbacks and discussion in the forum into the final report and submit it.

IV. EVALUATION QUESTIONS

The questions below need to be answered in each part of the review.

1. Review of the LED programme

- Were stated outcomes and outputs in the programme document achieved?

- What progress has been made toward the outcomes in the programme document?
 - What factors contributed to achieving or not achieving intended outcomes?
 - What factors contributed to effectiveness, efficiency and sustainability?
 - How has the programme contributed to gender equality?
- 2. Review the effectiveness of the LED Fund and cause and improvement of low repayment rate**
- What is the current situation of the repayment and the systems involved?
 - What are the factors that have had positive or negative influences on repayment?
 - What kind of reforms should be done in order to get the loan in the past back and guarantee the repayment of loan in future?
 - How should the reform be implemented?
- 3. Review of the way of integration of the LED with the EDP**
- How each activity of the LED should be integrated into the EDP?
 - What are the merits and demerits of the integration?
 - How should the integration be implemented?

V. KEY DELIVERABLES AND OUTPUTS

1. Work Plan: The plan of the whole period of assignment, including division of roles of the international consultant and the national consultant, schedule of meetings with stakeholders and trips to regional cities
2. Draft mid-term review report, including proposals for the integration of the programmes and improvement of repayment rate of the LED Fund with action plan
3. Proposal of the substantive revision of the EDP/LED Programme documents to integrate the components
4. Stakeholder Consultative Forum: Presentation of the findings, recommendations and the way forward on the LED Approach in a stakeholder consultative forum to be held in Addis Ababa
5. Final Assessment Report with concrete recommendations for on the integration of LED in the EDP, with action plan. Modified and completed based on feedbacks and discussion in the consultative forum both in Hard and Soft Copies

VI. METHODOLOGY

The midterm review will start with review of the available related national, local and UN/ UNDP programme policies, strategies, frameworks, programme documents, work plans, manuals, and reports. This will be followed by visits and meetings with the key actors in public, private and CSO sectors at national, regional and local levels. Field visits are to be undertaken to sample no less than six cities

including the regional capitals of the four large cities, namely Adama, Bahir Dar, Hawassa and Mekelle. There will be several interviews and consultations to be conducted with the focused groups and beneficiaries. Data and information to be collected should be evidence-based, as well as qualitative and quantitative in nature. If it is required, evidence-based data need to be presented with digital pictures. The assessment should be done with a participatory approach as much as possible.

Once the draft assessment report is developed, it should be shared with all the key relevant stakeholders in advance of the stakeholder consultative forum to be held in Addis Ababa. The feedback and discussions in the forum should be recorded and reflected in the final report.

VII. DURATION OF CONSULTANCY AND TIMEFRAME

It is expected that all the consultancy services would be undertaken in 30 working days, as per the following timeframe:

#	Main Activity	Working Days Assigned
1	Desk Review of the relevant documents	4
2	Consultations with key stakeholders of the LED and the EDP, including donors, at federal level	4
3	Field visits to six localities including the regional capitals of the four large regions for data and information collection through focused-group interviews as well as consultations and meetings with the stakeholders	10
4	Development of draft mid-term review report, with recommendations and Action Plan, to be submitted at least three working days before the Stakeholder Forum	5
5	Organization of and attendance in a one-day Stakeholder Consultative Forum	3
6	Finalization and submission of Assessment Report	2
	Total Working Days Required:	30 days

VIII. IMPLEMENTATION ARRANGEMENTS

The consultants will be recruited under the UNDP terms and conditions, applicable to the short-term SSA contract holders, and undertake the assigned tasks and responsibilities under the direct supervision of the programme manager in UNDP and the national programme coordinator, in collaboration with the Team Leader of Growth and Poverty Reduction Unit, other UNDP Units, MoFED, BoFED and other key stakeholders at federal, regional and local levels.

Regarding logistics and administration in Ethiopia, an Ethiopian local consultant will be assigned to support the international consultant. He will also make supports in regards to communication and appointment with the stakeholders and other related arrangements. The international consultant is required to have a good communication and cooperation with the local consultant before and during the assignment period. With support from the local consultant, the consultants are required to arrange logistics including transportation and accommodation for themselves. All the logistics cost should be estimated and claimed in the initial financial offer.

For organizing the national stakeholder forum to be held at the end of the assessment period in Addis Ababa, the consultants will work together with MoFED and UNDP. The related expenses for organizing such a forum will be met out of the allocated budget of the LED programme.

IX. PAYMENTS TO CONSULTANTS

Installment of Payment/ Period	Tasks to be completed by Consultants	Payment to be made by UNDP
1 st Installment	Upon submission of an acceptable work plan in advance of or just after arrival of the international consultant in Ethiopia (It should be compiled in consultation with the local consultant to be assigned.)	20% of the total consultancy fees
2 nd Installment:	Upon submission of the acceptable (1) draft mid-term review report and (2) the action plan (at least one week ahead) for the National Stakeholder Forum to be held in Addis Ababa	30 % of the total consultancy fees
3 rd Installment:	(1) Organizing a LED Stakeholder Forum, (2) presentation of the LED assessment findings and recommendations in the Forum, and (3) submission of an acceptable final LED Assessment Report to MoFED/ UNDP with the implementable Action Plan/ Recommendations, both in Hard and Soft Copies.	50% of the total consultancy fees

X. REQUIREMENTS FOR CONSULTANCY

1) Education

Master's Degree in economics, social sciences, or development related fields, with the participation in several international training courses, relating to local or/ and economic development, or capacity development

2) Experience and Skills

- Proven knowledge and experience related to the structure and system of microfinance and small scale loans
- At least ten years of demonstrated experience in planning, re-designing, implementation and management of development programmes at international level
- Analytical skills and experience in developing assessment reports in high standard
- Working experience and familiarity with the development efforts of the international development partners, especially UN agencies and NGOs
- Sound understanding of the national and international development policies, strategies and programmes, and their implementation issues and challenges, especially in the area of LED
- Full proficiency in using computer software, such as Microsoft Office

3) Language

Fluency in English

XI. CONFIDENTIALITY, PROPRIETARY INTERESTS AND EVALUATION ETHICS

The consultants shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy or the Government 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. In addition, the consultants are required to conduct the review in compliance with the principles specified in the two documents by the United Nations Evaluation Group (UNEG): (1) 'Norms for Evaluations in the UN System'¹ and (2) 'Standards for Evaluations in the UN System'².

¹ Link: <http://unevaluation.org/unegn norms>

² Link: <http://unevaluation.org/unegstandards>