

TERMS OF REFERENCE (TOR)
BUILDING RESILIENT MSMES- ACCELERATING DIGITIZATION PROJECT
DEVELOPMENT OF A MEDIUM TERM MSME NATIONAL STRATEGY CONSULTANCY
BELIZE TRADE AND INVESTMENT DEVELOPMENT SERVICE
AND
UNITED NATIONS DEVELOPMENT PROGRAMME

1. BACKGROUND

Approximately 93% of businesses in Belize are Micro, Small or Medium Enterprises (MSMEs) which provide 70% private sector employment and income as well as contribute to Sustainable Development Goals (SDG) 1 to End poverty in all its forms and SDG 8 Promote Sustained inclusive and sustainable economic growth, full and productive employment and decent work for all. MSMEs in Belize primarily provide employment for women, youth and rural residents, with high women and youth involvement in secondary and tertiary sectors. The Statistical Institute of Belize (SIB) reports that of 90% of businesses in the country, 57% are micro businesses (with <5 employees) and 20% are small businesses (5-19 employees) responsible for contributing to economic growth, generating employment, income and contributing to Gross Domestic Product (GDP). A 2012 survey conducted in the development process of the MSME Policy and Strategy showed 72% of all businesses possessed formal registration document, implying 28% of MSMEs operate within the informal sector, which is consistent with 20-25% informal MSME applicants who applied for the national MSME Support Program.

It is evident that Belize's Micro and Small enterprises have suffered devastating economic impacts caused by the COVID-19 Pandemic. A May 2020 survey revealed that most Micro-enterprise respondents only had working capital to continue operations for an additional 1-2 months, while small and medium enterprises had operating capital for at most 3 more months. As much as 61.7% of small and Micro-enterprises reported the need to downscale during this time. This great shock felt by MSMEs is due to liquidity gap; disruptions of operational structures as companies experience a reduction in labor supply, reduced capacity utilization, and interruptions to business networks and supply chains; reductions in consumption and spending as the consumer base faces income losses. Affected tourism and allied establishments are predominantly small-sized, mostly with annual turnover below 75,000 USD (72%) and between 0 to 5 employees (76%). Hence, job losses in the tourism and allied sectors as a result of COVID 19 restrictions were significant, impacting as much as 43% of Belize's registered labor force.

Belize has a male dominated labour force in primary industries, thus, out numbering female participation by nearly 19 to 1. The tertiary sector is the largest sector in Belize accounting for closely two-thirds of GDP (62.7%) in 2019. The tourism industry predominately drives the tertiary (services) sector, which employs more women than any other sectors in the country (46% vs. 37% workforce). Furthermore, an estimated 43% of MSMEs owners are women, while 26% of MSMEs were associated with youth entrepreneurs. Female participation in both the Tourism sector and in Micro and small enterprises makes these areas important sources of gender-equal employment in Belize.

Considering that MSMEs are significant for income generation, employment and livelihoods, especially for women and youth, the United Nations Development Programme (UNDP) is financing the **Building Resilient MSMEs- Accelerating Digitization Project** to improve the resilience of MSMEs by increasing their coping and flexibility capacities and empowering women and youth economically. The Belize Trade and Investment Development Service (BELTRAIDE) will implement this project. Under *Output 1: a Socio Economic Impact Assessment (SEIA) will be conducted on MSMEs the results will inform a National Medium Term Strategy to strengthen the MSME Ecosystem and promote the development of a competitive MSME sector that creates quality employment and improves the variety of goods and services available for Belizeans.*

2. PROJECT OBJECTIVES

Develop a survey to ascertain the socio-economic impact of COVID-19 on MSMEs in Belize to monitor and strengthen the MSME Ecosystem/Landscape and to develop an inclusive MSME Strategy that creates an institutional framework that fosters an entrepreneurial culture, encourages start-up of new enterprises and provides adequate support for existing MSMEs to become more competitive and sustainable for the overall economic development of Belize.

3. PURPOSE OF THE CONSULTANCY

The purpose of this consultancy is to procure a qualified individual, firms or a consortium to develop a digital survey that adapts the UNDP's Socio-economic Impact Assessment (SEIA) on MSMEs and targets primarily micro and small enterprises of the affected tourism and allied sectors of Belize. The results will aid in developing national indicators, including gender-responsive indicators about the

socio-economic impact of COVID-19 and will identify needs for business transformation and continuity.

The SEIA data will also assist to develop a National Medium-Term Strategy that must provide a work programme to modernize and upscale MSMEs in country, considering the roles of entrepreneurs, business development services providers, research and development institutions, and financing groups. The national strategy must create new economic opportunities and innovation into MSME processes; as well as encourage women and youth participation in MSMEs, promoting their transition from the informal sector to greater financial inclusion. The new strategy will support the establishment of national structures for MSME capacity building and MSME recovery and resilient development, including support to accelerate MSME digitization to facilitate supply chain and market access, and strengthen enterprises' capabilities and flexibility to rapidly accommodate necessary health protocols and operational transformations as a response to the new COVID environment.

4. OUTPUTS AND DELIVERABLES

All project outputs and deliverables must be submitted to the Project Steering Committee (PSC) for review, feedback and clearance, before advancing into the immediate next Output. BELTRAIDE and UNDP are the sole proprietors of all reports and contents emanating from this consultancy. These documents will be kept confidential, unless otherwise directed in writing by both parties.

The Consultant will deliver the following **OUTPUT**, along with its **DELIVERABLES**:

1. OUTPUT: UNDP'S DIGITAL SOCIO-ECONOMIC IMPACT ASSESSMENT (SEIA) ON MSME AND DEVELOP A MEDIUM-TERM STRATEGY TO STRENGTHEN THE MSME ECOSYSTEM.

- **Inception Report** detailing work plan, timeline, stakeholder consultation plan, and validation activities.
- **Administration of UNDP's (SEIA) on MSME Survey instrument.**
 - Develop a digital survey based on the Socio-Economic Impact Assessment (SEIA) for MSMEs that includes business information, Covid-19 Impact, and assistance programs for their business. Technical guidance and support will be rendered by the UNDP's Regional HUB for

Latin America and Caribbean regarding the SEIA methodology. The HUB will assist with sample design, quality assurance, data analysis, use of Kobo toolkit and training of enumerators;

- Facilitate in country online/phone data collection to develop national gender inclusive indicator;
 - Final Report with results, indicators and recommendations for business continuity;
- **Develop a Medium-Term Strategy to strengthen MSME ecosystem in Belize.**
 - The results of the SEIA survey and stakeholder consultations will aid in developing a Current Situation Analysis of the MSME sector in Belize;
 - Develop a comprehensive Medium Term MSME Strategy that is coherent and aligned with other related strategies highlighting key issues and opportunities for MSMEs in Belize;
 - Develop a 3 Year Action Plan to implement the Strategy;
 - Provide a Communication Stakeholder Plan;
 - Facilitate a National validation of the Final Medium-Term Strategy;

6. QUALIFICATION REQUIREMENTS AND CHARACTERISTICS OF THE CONSULTANCY

The Consulting Firm must possess the following qualifications:

- Team Leader must possess minimum of a master's degree in Public Policy, Finance, Business Administration, or Economics with experience in MSME development;
- Experience in developing MSME policies and strategies in developing economies; and working with senior government officials across different ministries;
- Committed to participatory approaches;
- Legal expertise regarding national and international MSMEs laws, regimes or policy framework, strategy and trade agreements would be an asset;
- Possess strong drafting, communication, and research skills;
- Fluent in English with working knowledge of Spanish;

7. REPORTING REQUIREMENTS AND PAYMENT TERMS

The Consultant must send a written submission and receive approval of the outlined Outputs and Deliverables within the stipulated timelines. Payment for each Output is contingent on approval by the PSC and will be made as below:

DELIVERABLE	OUTPUTS	TIMELINE	PAYMENT	Due Date of Delivery
1. INCEPTION REPORT	<ul style="list-style-type: none"> Inception meetings Project Execution Methodology Work Plan: Kick-off meeting 	3 weeks	10%	June 18, 2021
2. SEIA SURVEY AND CONSULTATIONS	<ul style="list-style-type: none"> SEIA Survey for MSMEs Final Results Report 	8 weeks	20%	August 13, 2021
3. CURRENT SITUATIONAL ANALYSIS	<ul style="list-style-type: none"> MSME Landscape Analysis MSME framework review. 	3 weeks	25%	September 3, 2021
4. NATIONAL MSME STRATEGY	<ul style="list-style-type: none"> National MSME Strategy 3 Year Implementation Action Plan 	4 weeks	30%	October 1, 2021
5. COMMUNICATION STAKEHOLDER PLAN	<ul style="list-style-type: none"> Stakeholder awareness campaign. Final Stakeholder Meeting 	2 weeks	15%	October 15, 2021
TOTAL		EST. 20 weeks	100%	

8. COORDINATION

BELTRAIDE's Seniors Projects Officer, Debbie Alfaro, will be responsible for the technical and administrative responsibilities of this consultancy.

9. DURATION OF WORK

The consultancy will start on May 31th, 2021 and end on October 29, 2021.

10. GUIDELINES FOR APPLICATION

The required documents can be submitted either through email or mail as follows:

- a. The technical proposal can be emailed to projects@belizeinvest.org.bz as an attachment clearly marked "**Technical Proposal**", and the financial proposal shall be emailed in a separate attachment clearly marked "**Financial Proposal**".
- b. The technical proposal shall be placed inside a sealed envelope marked "**Technical Proposal**", and the financial proposal shall be placed in a separate sealed envelope marked "**Financial Proposal**". Both envelopes shall be placed into a single, sealed envelope and labeled "**DEVELOPMENT OF A MEDIUM TERM MSME NATIONAL STRATEGY CONSULTANCY**" and sent to 341 Mountain View Boulevard, Suite 201, City of Belmopan, Belize

Documents required:

- A cover letter explaining why you are the most suitable candidate for this assignment;
- A brief technical proposal on how you will approach, conduct the tasks and personal CV (firms and consortiums must submit a CV for each consultant).
- A financial proposal that includes a fixed lump sum amount inclusive of a summary of total costs, a breakdown of remuneration, a breakdown of reimbursable expenses. The total cost should include taxes (Income Tax, Social Security, or any other similar taxes or levies). Reimbursable expenses should include the following: per diem, cost of travel, communication costs, other allowances where applicable and provisional or fixed sums (if any). The financial proposal shall be stated in Belize Dollars.

11. EVALUATION

The Quality and Cost-Based selection will be used for the evaluation.

- Technical Criteria weight- 70 points
- Financial Criteria weight- 30 points

Evaluation Criteria for the Technical Proposal:

- Education Background- 15 points
- Experiences and competences as defined in the TOR- 15 points
- Methodology and overall approach- 50 points
- Overall quality of the proposal (comprehensiveness, structure, language and clarity)- 20 points

Only candidates obtaining a minimum of 70 points will be considered for the Financial Evaluation.

Evaluation Criteria for Financial Proposal:

The lowest evaluated Financial Proposal (Fm) is given a maximum financial score (Sf) of 100.

The formula for determining the financial scores (Sf) of all other Proposals is calculated as following: $Sf = 100 \times Fm / F$. In which (Sf) is the financial score; (Fm) is the lowest price, and F the price of the proposal under consideration.

The weights given to the Technical (T) and Financial (P) Proposals are: $T = 0.7$; and $P = 0.3$

The Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights: $S = St \times T\% + Sf \times P\%$.

Where:

- (T)= the weight given to the Technical Proposal;
- (P)= the weight given to the Financial Proposal;

$$T + P = (1)$$

The Consultant(s) achieving the highest combined technical and financial score will be invited for negotiations.

12. DEADLINE

The deadline to submit application is **May 21, 2021**.