**COMMON MARKET FOR EASTERN AND**

**SOUTHERN AFRICA**



**السوق المشتركة للشرق والجنوب الأفريقى**

###### MARCHE COMMUN

**REQUEST FOR PROPOSALS CONSULTANCY SERVICES FOR A STUDY ON “THE ROLE THE ROLE OF TECHNOLOGY AND INNOVATION IN STRENGTHENING SMALL AND MEDIUM ENTERPRISES AMIDST THE COVID-19 PANDEMIC IN THE COMESA REGION”.**

**REFFERENCE:CS/ADM/PROC/21/12/2021/ss**

**TERMS OF REFERENCE**

1. **INTRODUCTION AND BACKGROUND**
	1. **Introduction**

Micro Small and Medium Sized Enterprises (MSMEs) have a vital role to play in the economic development of African countries. They are a vital engine in the African economy as they not only drive growth and create employment, they also spearhead innovation. In addition, MSMEs have the opportunity to leverage their agility to design and incubate new technologies and business models to build a better future (COMESA, 2020).

Exponential growth in scientific and technical knowledge provides unique opportunities for Africa to solve its critical challenges related to meeting basic needs, participating in the growing economy, addressing ecological and climate change problems and improving governance[[1]](#footnote-1) . African leaders have in recent years been placing increasing emphasis on the role of science, technology and innovation. Decisions taken (8th African Union Summit, 2007; 28th Meeting of the COMESA Council of Ministers, 2010) represent a clear expression of political will and interest in introducing specific reforms and actions to endorse the role of science and technology in regional development.

The COMESA Treaty under Article 100(d) calls on Member States to collaborate to promote ‘industrial research and development, the transfer, adaptation and development of technology, training, management and consultancy services through the establishment of joint industrial support institutions and other infrastructural facilities’.

COMESA Member States recognize the importance of science and technology in socio-economic and cultural development and agreed to cooperate in various fields as stated in the decisions of the 2010 COMESA Summit on Science and Technology Development.

The COMESA Science, Technology & Innovation (STI) strategy and implementation plan takes into consideration priorities underscored in the decision of the 2010 COMESA Summit on Science and Technology, reflecting the need for concrete projects that will deliver tangible results for the region in the context of regional cooperation in the field of science and technology. The strategy informs COMESA Member States in their future decisions. It provides guidelines on where to make strategic investments that strengthen regional cooperation, improve scientific and technological research capabilities and are relevant to other Science and Technology projects in the region.

However, despite the pivotal role played by businesses to the economy, the Corona virus disease (COVID 19) pandemic has had adverse effects on most economies, particularly on Micro, Small and Medium Sized Enterprises (MSMEs). A United Nations Economic Commission for Africa (UNECA) report titled COVID 19 in Africa: Protecting Lives and Economies states ’56 percent of the urban population is concentrated in overcrowded and poorly serviced slum dwellings (excluding North Africa) and only 34 percent of the households have access to basic handwashing facilities’. In addition, it states ’71 percent of Africa’s workforce is informally employed and that most of those cannot work from home’. This highlights Africa as more vulnerable to the effects of the pandemic (UNECA, 2020).

* 1. **Background**

Clark Ke Liu in the Role of Micro-Small and Medium Enterprises in Achieving SDGs, explains that “micro, small and medium enterprises (MSMEs) are widely recognized for their important contributions to development by stimulating economic growth, creating decent jobs, eradicating poverty and improving livelihoods, especially in developing countries” (Liu, 2020).

According to the World Bank, Micro, Small and Medium Enterprises (MSMEs) play a

major role in most economies, particularly in developing countries. “MSMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses and more than 50% of employment worldwide. Formal MSMEs contribute up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal MSMEs are included.” The International Finance Corporation (IFC) estimates that globally, 74 percent of MSMEs are informal (Lopez, 2020).

Despite one of the greatest risks to the global economy in recent history being the COVID 19 pandemic, a recent survey conducted by McKinsey and Company reports that “nearly three of four executives also agreed that the crisis will create significant new opportunities for growth, although this varies significantly by industry” (Furstenthal et al.,2020).

The McKinsey and Company survey found that more than 200 organizations across industries and more than 90 percent of executives said, “they expect the fallout from COVID-19 to fundamentally change the way they do business over the next five years, with almost as many asserting that the crisis will have a lasting impact on their customers’ needs” (Furstenthal et al., 2020). Whilst noting that identifying opportunities emerging from the crisis is not equivalent to capitalizing on them, there is a case for innovation.

Some of the unexpected opportunities include accelerated digital transformation, streamlined processes, increased economic efficiency and faster turnaround time, and transformation in how business is done.

1. **RATIONALE AND OBJECTIVES OF THE STUDY**
	1. **Rationale for the study**

Businesses, particularly Small & Medium Enterprises (SMEs) have an essential role to play, especially in developing countries, as job creators and social stabilizers, as well as sources of innovation. This enables SMEs to contribute both to poverty alleviation and the overall economic development process. Notwithstanding that majority of SMEs are still confronted with formidable obstacles when seeking to start or expand their businesses (especially those related to international trade), the IT revolution is providing SMEs with effective tools which they can use, in conjunction with appropriate government policy measures (United Nations, 2005).

A survey that was jointly developed and carried out by the African Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (UNECA) and International Economics Consulting Ltd. provides insights on African businesses’ reactions and outlook to COVID-19 and is the first comprehensive survey on the Coronavirus disease (COVID-19) pandemic and its economic impacts across Africa. The survey looks at the impact of COVID-19 on businesses and trade, and identifies the challenges faced and the subsequent responses made by businesses. (The survey was administered online for one week, from 14 to 20 April 2020. The results are based on 337 responses and 210 fully completed questionnaires, with each respondent representing an enterprise that operates in 1 and/or all 54 African countries, and disaggregated as: 76 micro enterprises, 59 small sized enterprises, 42 medium sized-enterprises and 33 large enterprises.) A subsequent second-round of the survey was conducted, that also involved ECA Subregional office for Southern Africa (SRO-SA).

Both surveys confirmed the role of technology and innovation as a strategy that is used by businesses to address the impact of Covid-19. For example, they found that digital technologies allowed employees to remain in employment and allowed firms to maintain continuity in their business activities, therefore avoiding drastic reduction in capacity utilization by having their employees work remotely.

Further research has confirmed the role that technology and innovation plays in boosting the productivity of businesses, such as Chege and others in a research piece looks at the impact of technology innovation on firm performance in Kenya. They found that technology innovation influences firm performance positively and recommend that entrepreneurs should develop innovative strategies to actualize firm performance. Further, government policy should aim at improving ICT infrastructure; promoting small and medium-sized enterprises’ (SMEs’) technological externalities within the industry, and establishing ICT resource centers to support SME performance (Chege et al, 2019).

Notwithstanding, there is limited empirical knowledge on the role that technology and innovation has on MSMEs within the COMESA region in addressing the impacts of COVID 19, and how this in turn affects COMESA’s regional integration agenda, in addition to its intra COMESA trade.

* 1. **Objectives of the Study**

The objective of the study is to establish the role of technology and innovation for African businesses (MSMEs) in addressing the impacts of COVID 19, more particularly, in the realization of COMESA’s regional trade and socio-economic development aspirations.

Based on the foregoing, the specific objectives of the study are as follows:

1. Undertake reviews of the member states’ MSMEs policies & regulatory framework and on that basis suggest areas for COMESA’s Science, Technology & innovation strategy and programme;
2. Establish the contribution of MSMEs to GDP and economic growth in the COMESA region;
3. Identify restrictive policies, rules and regulations affecting MSMEs in the COMESA region;
4. Identify the role technology and innovation plays for MSMEs in addressing the impacts of COVID 19 and thus the promotion of COMESA’s socio economic regional integration agenda;
5. Establish the link between promotion of MSMEs growth and enhancing intra-COMESA trade;
6. Identify the policy interventions for promoting technology and innovation uptake by MSMEs in the COMESA region;
7. **SCOPE OF WORK**

The study will be undertaken within three and half calendar months covering COMESA Member States with a focus on countries that have an established formal and informal MSME sector. In undertaking this work, the consulting firm is expected to:

1. Review the literature on technology and innovation and its role for MSMEs in addressing the COIVD 19 impacts, and obtain insights that could inform COMESA’s agenda in this respect;
2. Identify key qualitative and quantitative variables for data collection, and undertake data collection;
3. Establish the socio economic effects of the use of technology and innovation for MSMEs in addressing the impacts of COVID 19 in the COMESA region;
4. Document the key technological & innovation features in the COMESA region with high existing impacts on MSMEs;
5. Identify factors behind the current (if at all) low-use of technology and innovation by MSMEs in the COMESA region for trade and economic development;
6. Interrogate the level of partnerships, collaborations and coordination mechanisms or lack thereof between the member states, stakeholders and MSMEs in the use of technology and innovation;

1. **EXPECTED DELIVERABLES AND KEY TIMELINES OF THE STUDY**

The key outputs of the study will include:

1. **Inception Report** – This will provide critical details of how the assignment will be executed including the interpretation and understanding of the ToRs, methodology, geographical scope, work plan and the study tools (10 days after signing the contract);
2. **Monthly progress reports**- during the execution of the assignment;
3. **Draft Study Report-**This will include key findings from literature review, fieldwork, and the recommendations covering all the key components of the study (75 days after signing the contract);
4. **Final Study Report -** This will be a refined version of the draft report incorporating the comments of the client/stakeholders (within 15 days of receiving comments from the client/stakeholders);
5. **A Policy brief on** the role of technology and innovation for African businesses in addressing the impacts of COVID 19 in the COMESA region - This will be a stand-alone **high level summary** based on the findings and recommendations of the study for the consideration of COMESA Policy Organs and other policy makers (together with the final report, within 5 days of receiving comments from the client/stakeholders);
6. Deliverables will become final once all tasks requirements are completed and approval is granted by COMESA Secretariat.

In addition to the above core outputs, the consultant firm will also deliver other outputs as may be required by the client, including regular assignment field documents, datasets and study tools, among others.

1. **METHODOLOGY**

The Consultant will be required to develop a clear methodology and approach for carrying out the assignment. This should include both quantitative and qualitative methods to cover both economic, social and cultural aspects of the study in line with the objectives. The qualitative approach should entail gathering relevant information, including various economic and cultural development indicators from key stakeholders including but not limited to government ministries, agencies and private sector organizations.

The methodology should include a proposed approach to a systematic review of the literature, particularly focusing on technology & innovation and its role in addressing the impact of COVID 19 in MSMEs. It should also clearly state the key quantitative and qualitative variables that will be the focus of the study.

Since this is a regional study, it is envisaged that the consultant should have partnerships in some few COMESA member states that can help in undertaking the assignment. The methodology will be ultimately agreed between the consultant and COMESA Secretariat, and this will include on agreement on the selected countries. To the extent possible, COMESA Secretariat will provide the Consultant with necessary support and documentation to facilitate the smooth execution of the study.

1. **THE REQUIRED EXPERT (S)**

COMESA is now looking for a suitable consultant firm/ consortium to undertake the study on the role of technology and innovation for African businesses in addressing the impact of COVID 19 in the COMESA region. The firm is expected to have team members that possess the following qualifications and experience:

1. A minimum of a Master’s degree in Economics, Anthropology, Sociology, and any other related field;
2. A minimum of 10 years’ experience in the areas of regional integration and development analyses.
3. Demonstrated knowledge of the nexus between technology and innovation & MSMEs and economic development conditions.
4. Demonstrated thorough knowledge and understanding of the COMESA regional integration agenda, with a focus on technology and innovation and MSMEs.
5. Proven experience and skills in conducting field works and quantitative/qualitative analysis;
6. Proven experience in formulating policy briefs and advocacy frameworks;
7. Strong interpersonal and communications skills;
8. Strong computer skills especially in microsoft packages and applications; and
9. Fluent in both written and spoken English. Ability to communicate in French, Arabic or any of the local languages in COMESA member states will be an added advantage.
10. **REPORTING**

The Consultant will be under the overall supervision of the Director of Trade and Customs Division at COMESA Secretariat. He/ she shall be directly supervised by the Project Coordinator - TRADECOM II Project

1. **LOCATION AND GEOGRAPHICAL SCOPE OF WORK**
* **Location:** The duty station for the consultant during this assignment will be homebased. However, limited travel to selected sites/ places can be organized in consultation with the COMESA Secretariat.
* **Geographical Scope of Work:** The study will cover all COMESA Member States with a focus on the selected countries as highlighted in 3.0 above.
1. **DUARATION OF THE STUDY**

The tasks will be carried out over **36 days, within a three and half months period** from contract signature.

1. **LANGUAGE**

The use of one of the COMESA official languages for the assignment is paramount. A combination of any two or all these languages will be an added advantage. However, the reporting language will be English.

1. **LEGAL FOR COMPETITORS:**

 The bid is open to all firms meeting the requirements in item number **V.**

1. **Submission of Applications**

The bidder shall submit their proposals via through email to:**Submission emails:** **procurement@comesa.int**

1. **DEADLINE FOR SUBMISSION OF PROPOSALS**

The deadline for the submission of proposals is 31st January 2022  **@15.00** Hours Zambian Time (GMT+2).

1. **LATE TENDERS**

 Any Tender received by COMESA after the deadline for submission of Bids shall be rejected. There shall be no exception to this requirement.

1. **EVALUATION AND COMPARISON OF PROPOSALS**
2. To assist in the examination, evaluation and comparison of Bids, COMESA may ask the Bidder for clarification of its Bid. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.
3. COMESA will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.
4. Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Bidder does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail.
5. Prior to the detailed evaluation, the Procurement Committee will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one, which conforms to all the terms and conditions of the RFP without material deviations. COMESA’s determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.
6. A Proposal determined as not substantially responsive will be rejected by the COMESA and may not subsequently be made responsive by the Bidder by correction of the non-conformity.
7. The bids will be evaluated as follows:
* The Bidder that has offered what is adjudged to be the best technical and financial offer will be offered the contract.
* If the Bidder that offered what was adjudged to be the best technical and financial offer declines to accept the offer then the Bidder that is adjudged to have offered the second best technical and financial offer will be offered the contract.
1. Technical bids shall be evaluated based on the following criteria;

Table 1: Criteria for Overall Technical Evaluation

| Criteria | % |
| --- | --- |
| T1 | A minimum of a master’s degree in Economics, Anthropology, Sociology, and any other related field | 20 |
| T2 | * A minimum of 10 years’ experience in the areas of regional integration and development analyses.
* Demonstrated thorough knowledge and understanding of the COMESA regional integration agenda, with a focus on technology and innovation and MSMEs.
* Proven experience and skills in conducting field works and quantitative/qualitative analysis;
* Proven experience in formulating policy briefs and advocacy frameworks; Strong interpersonal and communications skills;
* Strong computer skills especially in microsoft packages and applications; and
* Fluent in both written and spoken English. Ability to communicate in French, Arabic or any of the local languages in COMESA member states will be an added advantage.
 | 30 |
|  | The Team Leader/Project Manager to be responsible for the successful initiation, planning, design, execution, monitoring, controlling and closure of the project. The person should have:* A minimum of 10 years’ experience in the areas of regional integration and development analyses.
* Demonstrated thorough knowledge and understanding of the COMESA regional integration agenda, with a focus on technology and innovation and MSMEs.
* Proven experience and skills in conducting field works and quantitative/qualitative analysis;
* Proven experience in formulating policy briefs and advocacy frameworks; Strong interpersonal and communications skills;
* Strong computer skills especially in microsoft packages and applications; and
* Fluent in both written and spoken English. Ability to communicate in French, Arabic or any of the local languages in COMESA member states will be an added advantage
 | 50 |
| T3 | **Total** | 100  |

1. **Minimum Technical pass Score is 70%**

Only financial submissions of bidders achieving 70% of technical scores shall be considered for evaluation on least cost basis.

1. **TECHNICAL QUERIES**

For any technical queries related to terms of reference, kindly contact the Procurement Unit on the following email: procurement@comesa.int.

1. **COST OF TENDERING**

The tenderer shall bear all costs associated with the preparation and submission of its tender, and COMESA will in no case be responsible or liable for those costs regardless of the outcome of the tendering process.

1. **ETHICAL CONDUCT**

COMESA requires that Tenderers observe the highest standard of ethics during the selection and execution of such contracts. For this provision, the Purchaser defines the terms set forth below as follows:

1. “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of an officer of the Purchaser in the tendering process; and
2. “Fraudulent practice” means a misrepresentation of facts to influence the tendering process to the detriment of the Purchaser.

COMESA will reject a proposal for award if it determines that a Tenderer has engaged in corrupt or fraudulent activities in competing for the contract in question.

1. **NOTIFICATION OF AWARD**

Prior to the expiration of the period of tender validity, the Purchaser will notify the successful tenderer in writing that its tender has been accepted.

The notification of award will signify the formation of the contract subject to the signing of the contract between the tenderer and COMESA.

Simultaneously the other tenderers shall be notified that their tenders were not successful.

1. **SIGNING OF CONTRACT**

Within fourteen (10) days of receipt of the contract, the successful tenderer shall sign and date the contract and return it to COMESA.

The Parties to the contract shall have it signed within thirty (30) days from the date of notification of contract award unless there is an administrative review request.

1. **CLOSING DATE OF TENDER**

Proposals must be submitted to the COMESA Secretariat on or before **31st January 2022** at **15 :00 hours LUSAKA TIME.**

1. **AWARD OF CONTRACTS**

COMESA reserves the right to wholly or partially reject or award these contracts to any bidder and has no obligation to award this tender to the lowest bidder

1. **Technical Queries**

Technical queries related to this tender should be submitted in writing in two weeks before closure of tender through this email procurement@comesa.int

1. **Financial Proposal - Standard Bidding Form**

Bidders are advised to use the standard tender Form below as sample format and modify it to cover all relevant costs or charges.

There will be no price variation tender.

Bidders are also advised to disclose any other relevant information on a separate sheet of paper.

**Financial proposal Form**

|  |  |  |
| --- | --- | --- |
|  |  |  AMOUNT IN USD |
|  |  |
| TOTAL PROFESSIONAL FEE  |  |  |
|  |  |
| OTHER RELEVANT EXPENSES  |  |  |
| VAT AND ALL OTHER TAXES |  | EXCLUSIVE  |
|  |  |  |
|  |  |  |

**Amount in words**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Submitted by:**

**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

END

1. C. Juma. *Rebooting Development, Innovation Policy in the Age of Technological Abundance* [↑](#footnote-ref-1)