



TERMS OF REFERENCE

TECHNICAL ADVISORY SERVICES (TAS)

Prepared by:

Jamaica Promotions Corporation (JAMPRO)

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Table of Contents

▪ 1.	BACKGROUND INFORMATION	1
	Beneficiary country	1
	Contracting Authority, Supervising Authority	1
	Relevant country background.....	1
	Current state of affairs in the relevant sector	1
	Related programmes and other donor activities:	2
▪ 2.	CONTRACT OBJECTIVES & EXPECTED RESULTS.....	2
	Overall objectives	2
	Specific objectives.....	2
	Results to be achieved by the Consultant	2
▪ 3.	SCOPE OF THE WORK	3
	General.....	3
	Specific activities	4
	Project management	7
▪ 4.	LOGISTICS AND TIMING	7
	Location.....	7
	Commencement date & Period of execution.....	8
▪ 5.	REQUIREMENTS.....	8
	Personnel	8
	Office accommodation	10
	Facilities to be provided by the Consultant.....	10
	Equipment	10
▪ 6.	REPORTS	10
	Reporting requirements.....	10
	Submission & approval of progress reports	11
▪ 7.	MONITORING AND EVALUATION.....	11
	Definition of indicators	11
▪ 8.	BUDGET	11

ANNEXES

1. PSDP FINANCING AGREEMENT

2. 2005 PROGRAMME ESTIMATES

Terms of reference

1. BACKGROUND INFORMATION

Beneficiary country

Jamaica

Contracting Authority, Supervising Authority

Planning Institute of Jamaica (PIOJ), Jamaica Promotions Corporation (JAMPRO)

Relevant country background

Since the early 1990s, Jamaica has followed a program of economic liberalisation and macroeconomic stabilization by removing exchange controls, floating the exchange rate and stabilizing the currency, reducing inflation, cutting tariffs, and eliminating restrictions on foreign investment. Over the last decade, divestment programmes have resulted in a large proportion of economic activities that were owned by the government to be owned today by the private sector. The private sector is therefore considered the most effective engine for growth and development of business activities.

It is expected that growth in Jamaica in the coming years will have to be largely export-led. To realise such export-led growth requires improving the competitiveness of the private sector, involving cost reductions and investments in restructuring in favour of more competitive activities.

Current state of affairs in the relevant sector

As interest rates are trending down, factors limiting access to credit, such as strict collateral requirements, may become an important obstacle to investment growth, especially for micro, small and medium-size enterprises (MSMEs). Small and medium enterprises (SMEs) also face important internal constraints in terms of management, technology, product quality and marketing capability. An emerging challenge is also the need to meet quality and environmental standards at the main export markets, as well as certification requirements.

Micro-enterprises are normally family businesses operating in the semi-formal and informal sectors, and are most commonly sole proprietorships. The major credit institutions consider a micro-enterprise as one with an asset base (excluding land and buildings) not exceeding J\$500,000 (€6,500) and with an annual turnover of less than J\$6.25 million (€81,000). These businesses have difficulty in offering collateral for loans, which average about J\$50,000 (€650).

Small enterprises have a mix of owner-managed, partnership and corporately structured entities. The asset base of these firms (excluding land and buildings) amount to between J\$50,000 and J\$5 million (€650 to €65,000). They employ 4 to 10 persons and usually operate in the formal economy. Their average loan size is about J\$500,000 (€6,500) and are usually able to provide collateral. Business development services, however, often consider MSMEs as one main group.

Against this background, the private sector in Jamaica faces numerous developmental constraints, notably in the evolving context of globalisation and the opening of the economy, which put pressure on firms to adapt to increased competition at home and on foreign markets. Notwithstanding, Jamaica presents a wide spectrum of development opportunities, both on the local and export markets. However, in order to develop and compete, businesses need simultaneous access to finance and business development services to enhance chances of success.

Terms of reference

Related programmes and other donor activities:

Only a few business development service (BDS) schemes are presently available, with limited outreach and impact on the economy. Such schemes include donor-funded projects such as the Trade Development Project (TDP), an EU-funded initiative, BizTech and S-BED, as well as BDS provided by the Jamaica Business Development Centre (JBDC).

The current Private Sector Development Programme (PSDP) follows on the TDP, and its predecessor Target Europe, in focussing on export development, specifically as it relates to SMEs. Both programmes facilitated the provision of business development services; however the TDP also included a focus on capacity-building for eligible providers of support services to enterprises. The new programme includes both these components, in addition to a third, resulting in an overall scope as follows:

- (i) Empowerment of private sector organisations and support institutions (PSOs) through establishment of a Competitiveness Committee, dealing specifically with policy issues increasing public awareness, and implementation of a cost-sharing capacity-building scheme dedicated to PSOs;
- (ii) Enhancing competitiveness through strengthening of the BDS system, which includes implementation of a cost-sharing BDS scheme and the provision of direct support to enterprises in specific areas; and
- (iii) Improving access of SMEs to corporate finance.

This expanded scope is intended to address the aforementioned constraints faced by the private sector, thus leading to overall economic development and national growth.

2. CONTRACT OBJECTIVES & EXPECTED RESULTS

Overall objectives

The overall objective of the project of which this contract will be a part is to enhance the perspectives of socio-economic development through strengthening of the private sector in Jamaica within the challenging context of globalisation and liberalisation of the economy.

Specific objectives

The programme aims specifically at enhancing the competitiveness of Jamaican MSMEs and strengthening their support and representative organisations.

Results to be achieved by the Consultant

The results expected to be achieved through this consultancy are as follows:

Programme Development

- i) Development of Manual of Policy and Operational Procedures, as well as frameworks and guidelines for all programme components, including relevant procedural documentation and decision making processes to facilitate the application process for potential beneficiaries;
- ii) Development and delivery of corresponding training programme;

Terms of reference

- iii) Designed high-level business processes and corresponding detailed process flow diagrams;
- iv) Assessment and costing of the project's management information system (MIS) requirements based on the relevant business processes and prepare relevant terms of reference for the MIS development and MIS project management consultancies;
- v) Assessment of technical assistance and procurement requirements for duration of Programme and corresponding procurement plan and/or terms of reference;

Business Development

- i) Formulation of strategies and operational framework for specific Programme components;
- ii) Development of implementation plan for Back Offices, Export Centres, Business Info Points and Corporate Finance Brokerage;
- iii) Establishment of pilot Export Centres and Business Info Points

3. SCOPE OF THE WORK

General

3.1.1. Project description

- To define relevant processes for all components of the Programme and develop appropriate guidelines, frameworks, operational and decision making procedures and relevant documentation to facilitate the application process for potential beneficiaries, in support of the processes leading to the development of a Manual of Policy and Operational Procedures (MPOP) document. This include the gathering of information from the relevant stakeholders and potential beneficiaries in order to finalise appropriate procedures.
- To execute training in the guidelines, frameworks and procedures that have been developed.
- Assess and cost the project's management information systems (MIS) requirements, building on existing systems if appropriate and prepare relevant terms of reference and tender dossier for the MIS development and MIS project management consultancies.
- To provide expertise regarding the provision of direct support to beneficiaries of the programme based on international best practices, as well as within the context of national development objectives and the local environment. This relates to activities within the following categories:¹
 - i) Export Promotion: covering Market Penetration (MP) strategies and the establishment of Export Centres (ECs) in each parish.
 - ii) Group Initiatives: including the execution of Cluster and Sector Initiatives (CSI) and the administration of Consortia Business Development Services (BDS).
 - iii) Hand-holding, info points and rating: referring to the provision of back office services through PSOs, establishment of Business Information Points (BIPs) across the island, and the execution of an Enterprise Rating & Upgrading (ERU) scheme for clients within the agribusiness and apparel industries.
- To develop and initiate operational framework for the Corporate Finance Brokerage component.

¹ These areas are further elaborated in Appendix I to this document

Terms of reference

3.1.2. Geographical area to be covered

Jamaica

3.1.3. Target groups

Beneficiaries of the Programme include the private sector organisations and support institutions (PSOs) within public and private sectors, along with their respective members/clients. Some services offered within the Programme components are universal in application, however, and will therefore be available to the all members of the wider private sector within the local environment.

Specific activities

The Consultant(s) will be expected to provide services in support of the objectives outlined in the preceding section. The consultant(s) will designate a team leader/coordinator who will be responsible for coordinating the team and ensuring appropriate quality control and delivery of all activities listed in this terms of reference. These services are listed below according to the two (2) main areas identified:

Programme Development

1. Developing operational systems, including a Manual of Policy & Operational Procedures (MPOP) for the PSDP within the context of current EDF guidelines, the Programme's Financing Agreement and initial Operational Programme Estimates, and delivering a corresponding training programme to relevant staff and key stakeholders. This include the gathering of information from the relevant stakeholders and potential beneficiaries in order to finalise appropriate procedures.

It is expected that this will also include the execution of the following activities:

- Review of business design processes and formulation of corresponding process flow diagrams;
- Devising relevant procedural framework governing activities within components;
- Developing, in consultation with the PMU, Government of Jamaica and EC Delegation, eligibility criteria and decision making procedures for all beneficiaries of the Programme;
- Devising specific policy measures to direct working relationships among all programme components;
- Developing appropriate frameworks and structures for programme management and monitoring including relevant reporting formats to be used by the PMU, participating PSOs and other beneficiaries in order to track programme development and achievement of targets;
- Reviewing and finalising projected technical assistance for the overall programme as well as related procurement requirements and to assist in the design of the terms of reference and initiate the appropriate procurement activities.
- Designing relevant training programmes in support of the above;
- Delivering training programmes.

2. Assess and Cost the information systems requirements of the Programme:

- Reviewing business process designs and establishing systems requirements and determining the feasibility for its implementation;
- Prepare the relevant TOR and tender dossier for MIS development and MIS project management consultancies;

Terms of reference

3. Assess existing PSOs and propose recommendations for their improved ability to manage or institute Programme components as well as setting up an interim mechanism to facilitate members/clients of such PSOs requiring assistance under the programme.

Specific skills required for this area are as follows:

- EDF procedures and guidelines;
- Management of cost sharing schemes
- Business process outflow mapping;
- Information systems development as a tool for large-scale project execution;
- Training delivery

4. Business Development

Providing appropriate recommendations for each Programme component, including external components – Back Offices, Export Centres and Business Info Points – suggesting and initiating implementation and operational strategies. In this regard, the consultant will be expected to provide, but is not limited to, the following services:

- Consulting with key PSOs regarding potential back office service offerings, establishing implementation requirements and developing and initiating an appropriate implementation plan;
- Developing and initiating an implementation strategy for establishing ECs and BIPs across the island, which would include recommendations on the services to be offered, host sites and structure, as well as the systemic requirements for each;
 - Reviewing existing strategies and documents related to the MP, ERU and CSI functions and formulate a detailed program for the optimal execution of each, bearing special consideration of international best practices in these areas, adapted to suit the local economic environment; With respect to the ERU, the consultancy firm is required to include as part of its team, an expert who is qualified to implement international benchmarking assessment tools geared at improving firm level competitiveness in the agribusiness and apparel/fashion sectors;² The expert is also required to design an appropriate assessment tool which maybe applied to other potential beneficiaries outside of the 2 sectors mentioned above who seeking assistance under the programme.
 - Establish operational framework for CFB component, recommending and initiating services to be offered and procedures for service delivery in conjunction with JAMPRO's Business Development Dept.

Specific skills required for this area are as follows:

- SME development;
- Export development;
- Financial management;
- Cluster development & Networking structures

A projected timetable is provided representing timelines for the activities listed above.

² Consideration should be given to benchmarking tool i.e. Microscope used in previous Trade Development Project;

Terms of reference

ACTIVITIES	Expert 1	Expert 2	Expert 3
	Projected Man-Days		
1. Programme Development			
Meet with relevant stakeholders	5	5	5
Develop initial draft of MPOP	7	15	5
Develop initial draft of Training Programme	1		2
Finalise MPOP & Training Programme	2	5	5
Develop high-level business processes and corresponding process flow diagrams	5	10	
Formulate and cost Management information systems requirements based on business processes	5	7	
Draft terms of reference & tender dossier for MIS development and MIS project management consultancies			
Finalise technical assistance requirements	4	4	4
Execute training programme			3
Sub-total	33	46	24
2. Business Development (Phase I)³			
2.1.1 Review existing documents and strategies for Export Promotion & Group Initiatives	5	5	5
2.1.2 Compose initial draft of program for MP, ERU & CSI components			10
2.1.3 Finalise program for MP, ERU & CSI components	2	2	5
2.1.4 Develop operational strategy for CFB component	3	10	
2.1.5 Research and formulate proposed services and recommend appropriate fee structure for CFB component		10	5
2.1.6 Develop operational strategy and requirements for back-office component	2	5	5
Sub-total	12	32	30
2.2.1 Conduct research on locally offered BDS and potential host sites for ECs & BIPs			10
2.2.2 Compose initial draft report on research findings and international best practices	5	5	10
2.2.3 Finalise report on research findings and international best practices	2	5	5
2.2.3 Finalise services to be offered, host site locations & systemic requirements		7	
2.2.4 Produce implementation plan for establishing ECs & BIPs based on these outputs	2	10	5
Sub-total	9	27	30
Business Development (Phase II)³			
2.3.1 Establish 2 pilot back-offices, 1 Export Centre and 2 Business Info Points	10	30	10
Total man-days	64	135	94
Total	€143,500		

³ Activities for the Business Development component of the Consultancy are split into two (2) phases in order to correspond with work periods established by the Programme.

Terms of reference

The consultancy will be required to submit certificates or other means of verification, for IT contractors signifying that:

- a) designated tasks have been properly performed; and
- b) amounts claimed by the contractor(s) have actually and necessarily been incurred

Project management

3.1.4. Responsible body

Jamaica Promotions Corporation (JAMPRO), through an autonomous Project Management Unit (PMU)

3.1.5. Management structure

The contracting authority for this Programme is the Planning Institute of Jamaica (PIOJ) representing the National Authorising Officer (NAO). The implementation of the Programme is, however, delegated to a project supervisor, by means of a Service Contract. The institution chosen to fulfil this role is the Jamaica Promotions Corporations (JAMPRO), a statutory body of the Government of Jamaica having responsibility for national investment promotion and export development.

An autonomous PMU entity, headed by a Project Manager, has been established within JAMPRO to have charge of the day-to-day management of the project and co-ordination of its various components. Additionally, specific Programme components have been assigned to key PSOs, namely the Private Sector Organisation of Jamaica (PSOJ) and the Jamaica Business Development Centre (JBDC).

A Steering Committee is responsible for general oversight, monitoring and direction of the project.

The Project Manager will be charged with general oversight of the consultancy and is therefore responsible for contributing direction as necessary, as well as providing any information and/or documentation the consultant may need to perform the contract. The consultancy under the guidance of the Project Manager will be required to interact with executing PSOs including relevant JAMPRO departments, as it relates those programme components under their jurisdiction. The Project Manager may also consult with representatives from the NAO or Delegation of the European Commission for matters relating to this contract as required.

3.1.6. Facilities to be provided by the Contracting Authority and/or other parties

The Supervisor will be responsible for providing office accommodation for up to three (3) team members for the duration of this contract.

4. LOGISTICS AND TIMING

Location

The operational base for this contract will be the JAMPRO Head Office, 18 Trafalgar Road, Kingston 10, Jamaica. In addition, the consultancy may require site visits throughout the country to evaluate ideal locations for the external components referred to in previous sections.

Terms of reference

Commencement date & Period of execution

The intended commencement date is **January 10, 2005** and the period of execution of the contract will be an elapsed period of no more than 9 months from this date. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

5. REQUIREMENTS

Personnel

5.1.1. Key experts

All experts who have a crucial role in implementing the contract are referred to as key experts. At least one of the experts should be locally based. The profiles of the key experts for this contract are as follows:

Key expert 1: Team Leader

QUALIFICATIONS AND SKILLS

- Fluency in English, both oral and written;
- Appropriate post-graduate degree; ;
- Excellent interpersonal skills;
- Significant knowledge of international best practice in private sector development;
- Outstanding record of private sector support project design and management geared towards micro & small & medium size enterprises.

GENERAL PROFESSIONAL EXPERIENCE

Fifteen (15) years experience in project management; consultancy at a senior level is desired. .

SPECIFIC PROFESSIONAL EXPERIENCE

Significant experience in business analysis and processes, export promotion, SME development, firm level benchmarking, global competitiveness initiatives and financial management is required.
Extensive knowledge of EDF procedures and guidelines is mandatory.

Key expert 2: Senior technical expert

QUALIFICATIONS AND SKILLS

- Fluency in the English language, both oral and written;
- Appropriate post-graduate qualification;
- Considerable practical experience with the Jamaican business & export environment ;
- Significant knowledge of international best practice in private sector development;
- Extensive knowledge of the business credit methodology, sources of financing and requirements of financial institutions;

Terms of reference

- Established network with local and international financial institutions;
- Substantial background in financial management, specifically with SMEs;
- Proficiency in business process design, structural policy and procedural formulation, and defining corresponding information systems requirements for programme management;
- Proven understanding of the use of IT as a development/project management tool;

GENERAL PROFESSIONAL EXPERIENCE

Ten (10) years experience in project design related to SME and/or business development.

SPECIFIC PROFESSIONAL EXPERIENCE

Significant experience in business analysis and process design, export promotion, SME development, firm level benchmarking, global competitiveness initiatives, cluster development, and financial management is required. Proficient training delivery background is preferred.

Key expert 3: Junior technical expert

QUALIFICATIONS AND SKILLS

- Fluency in English, both oral and written;
- Relevant Bachelor's Degree;
- Significant experience with the Jamaican business and export environment;
- Extensive knowledge of key sectors i.e. agribusiness, manufacturing, services;
- Proven understanding of the use of IT as a development/project management tool;
- Established background in effective training design and delivery.

GENERAL PROFESSIONAL EXPERIENCE

Minimum five (5) years significant experience in projects related to SME and/or business development.

SPECIFIC PROFESSIONAL EXPERIENCE

Experience in business processes, export promotion, global competitiveness initiatives, sector and cluster programme development and IT/networked structures as relates to the SME sector.

For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country while local experts are considered to be those whose permanent residence is in the beneficiary country. The Consultant should note the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local experience in the project teams. For this reason, it is envisaged that Key Expert 1 will have international experience and proven knowledge of international best practices, while Key Experts 2 and 3 should have significant knowledge of the local economic environment and experience working with the development of the Jamaican private sector.

All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts.

Terms of reference

5.1.2. Support staff & backstopping

The costs of support staff must be included in the fee rates of the experts.

Office accommodation

Office accommodation of a reasonable standard for each expert working on the contract is to be provided by the Supervising Authority.

Facilities to be provided by the Consultant

The Consultant shall ensure that experts are adequately supported and equipped. In particular it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support its activities under the contract and to ensure that its employees are paid regularly and in a timely fashion.

If the Consultant is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium partner a fixed percentage of the work to be undertaken under the contract should be avoided.

Equipment

No equipment is to be purchased on behalf of the Contracting Authority / beneficiary country as part of this service contract or transferred to the Contracting Authority / beneficiary country at the end of this contract. Any equipment related to this contract, which is to be acquired by the beneficiary country, must be purchased by means of a separate supply tender procedure.

6. REPORTS

Reporting requirements

All reports are to be prepared and submitted in English. Please refer to Article 26 of the General Conditions. Interim progress reports must be prepared every month during the period of execution of the contract.

There must be a final report and final invoice at the end of the period of execution outlining achievements, issues & constraints as well as recommendations for ongoing development of the Programme. The draft final report must be submitted at least one month before the end of the period of execution of the contract. Note that these interim progress and final reports are additional to any specified deliverables defined in Section 3 of these Terms of Reference.

The final progress report must be accompanied by the final invoice and an audit certificate (as defined in Article 30 of the General Conditions and in accordance with the template in Annex VI of the contract) confirming the final certified value of the contract.

Terms of reference

Submission & approval of progress reports

Three (3) copies of the progress reports referred to above must be submitted to the Project Manager identified in the contract. The progress reports must be written in English. The Project Manager is responsible for approving the progress reports.

7. MONITORING AND EVALUATION

Definition of indicators

Performance will be measured on the basis of satisfactory completion of the Results listed in above, which details deliverables related to the Specific activities outlined above.

8. BUDGET

The total budget available for this contract is €166,942 to cover professional fees, reimbursable expenses (travel and per diem) and incidental expenditure.

Expense	Amount (€)
Professional fees	143,500
Travel ⁴	3,000
Per diem ⁵	12,416
Incidental expenditure	8,026
TOTAL	166,942

⁴ for Key Expert 1

□ for Key Expert 1 = €194 x 64 man-days