Terms of reference (ToRs) for the procurement of services below the EU threshold



"GREEN MSME BOOST: BUSINESS SUPPORT FOR ENTERPRISES 20.20

Project number: 20.2017.9-001.00

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0. List of abbreviations

AG Commissioning party

AN Contractor

AVB General Terms and Conditions of Contract for supplying services and work

BMZ Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

(Federal Ministry of Economic Cooperation and Development)

CPD4E Career Path Development for Employment

DHET Department of Higher Education and Training

ERRP Economic Recovery and Revitalization Plan

FK Expert

FKT Expert days

GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

GTCC General Terms and Conditions (GTCC) for supplying services and work

2022

IOPSA Institute of Plumbing South Africa

MoU Memorandum of Understanding

MSME Micro-, Small, and Medium-sized Enterprises

NPD National Development Plan

KZFK Short-term expert

SPAVIA South African Photo Voltaic Industry Association

SAWEA South African Wind Energy Association

SECO Swiss State Secretariat for Economic Affairs

SETA Sector Education Training Authority

ToRs Terms of reference

TVET Technical Vocational Education Training



1. Context

Project Description

The Career Path Development for Employment (CPD4E) project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and co-financed by the Swiss State Secretariat for Economic Affairs (SECO) in collaboration with the Department of Higher Education and Training (DHET) and various other public, non-governmental and private sector stakeholders.

The project follows a holistic concept, using the integrated approach to employment promotion. The multi-dimensional approach focuses on the supply and demand sides of the labour market, active labour market policies as well as framework conditions. The approach combines elements of technical vocational education and training (TVET) and private sector development. A particular focus is set on the challenges for new entrants to the labour market. The aim is to achieve positive long-term employment and income effects by coordinating four intervention areas:

- Supporting conducive framework conditions by policy advise through the JETP as
 well as enhancing South African officials' capacities to support new approaches for
 skills development and employment. Furthermore, the project is developing and
 testing innovative approaches to support the role of the TVET-system for JET
- Promoting the supply side in the job market by developing needs-oriented vocational training and lecturer development for JET relevant sectors.
- Supporting the demand side to enable start-up entrepreneurs and Micro-, Small, Medium sized Enterprises (MSME) to create jobs in low-carbon economic sectors.
- Expanding the available support services to include gendersensitive approaches to support young women to enter the job market and earn a livelihood

As part of efforts to strengthen the capabilities of employment promotion institutions in the design and implementation of new innovative approaches, CPD4E¹ seeks to pilot different types of employment promotion and income generation interventions such as demand-driven short skills programmes and business development services.

Problem analysis

Since around 2010, the South African economy has been characterized by weak economic growth coupled with population growth, leading to an escalating employment crisis. This has particularly affected the young South African population, especially women and black South Africans. The employment crisis worsened with the Covid-19 pandemic: by end of 2023, 44,3% of the individuals aged 15-34 were not in employment, education, or training.

A notable feature of the South African economy is the high proportion of Micro-, Small, and Medium-sized Enterprises (MSMEs), covering about two-thirds of the job market. However,

¹ Funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and cofinanced by the Swiss State Secretariat for Economic Affairs (SECO)



70% of South African MSMEs operate in the informal sector, contributing only 19% to employment. Due to a lack of formalization, these businesses face limitations in accessing contracts, markets, capital, technologies, among other factors. Many informal MSMEs exhibit low productivity and limited growth. Even after the repeal of apartheid laws in 1994, Townships remain social hotspots characterized by high population density, unemployment, crime, poverty, and limited opportunities for advancement and development.

The core issue is the high youth unemployment, especially in Township populations, and the restricted chances for local MSMEs to tap into economic potential, contributing to employment and socio-economic transformation. It is acknowledged in both politics and the economy that strengthening and revitalizing the Township Economies are essential for the socio-economic transformation and development of the country. National development plans (NDP 2030), the Economic Recovery and Revitalization Plan (ERRP), and other key political strategies at the national, provincial, and local levels reaffirm the role of Township Economies and their MSMEs in South Africa's economic and social transformation.

Providing support to township MSMEs aims to promote the inclusion of MSMEs in the supply and value chains of formalized businesses and their chances of participation in public or private tenders through incentives and regulations. However, meeting requirements and unlocking economic opportunities remains a challenge and hurdle for many of these MSMEs. They require experience and knowledge of market opportunities, craftsmanship skills, qualifications for existing skills, access to production resources, and, last but not least, entrepreneurial knowledge and acumen.

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

Work Package 1: Identify and collaboration with Industry Associations (e.g. SAPVIA, IOPSA, SAWEA)

Objective: Identify and collaborate with relevant industry associations to enrich the program content, extend outreach, and enhance the sustainability of the programme.

• Tasks:

- Identify and engage with key industry associations and stakeholders relevant to the sector and MSME development.
- Consult on training content to ensure that it is both current and industryrelevant, safeguarding it meets the needs of the MSMEs and aligns with market demands.
- Co-develop pathway to industry association membership for formalized businesses
- Leverage these partnerships for one networking event, market access opportunities, and collaborative marketing efforts to enhance the visibility of the participating MSMEs.

Work Package 2: Development of customized programme



Objective: Create a programme that delivers training, mentorship, and support, emphasizing sustainable business practices, market access, and job creation. The programme should be delivered over a period of 2 months, followed by a 9 months mentorship. Training should be adapted to the availability of MSMEs and Entrepreneurs (e.g. after-hours, virtual)

Tasks:

- Design a modular training curriculum that covers essential topics such as Formalizing the business, Business Acumen, Expansion Strategies, Job Creation, Market Access, and Technical topics such as New & Green Technologies relevant for their sector.
- Develop a mentorship framework that pairs each MSME with an industry expert or successful entrepreneur within its sector.
- Facilitate access to finance and markets by partnering with financial institutions and leveraging industry contacts.

Work Package 3: Identification and Selection of MSMEs

Objective: To systematically identify and select up to 50 (+ 20% drop out buffers) MSMEs from the informal sector in townships, focusing on those within the green sector or with potential for greening their operations. Two separate cohorts should be selected from two different industries (e.g. Solar and Water, or Solar and Recycling)

• Tasks:

- Develop systematic approach to identify MSMEs from the informal sector based on available surveys and/or mapping of MSMEs within specified disadvantaged areas or based on recommendation of industry associations
- Develop and apply selection criteria that prioritizes ownership from disadvantaged groups (youth, women, People with Disabilities), operational status, and potential for green transition and job creation.
- Engage with local communities and industry networks to ensure wide-ranging and inclusive recruitment processes.

Deliverables of work package 1-3:

- **Inception Report:** Outlining the MSME support approach, timelines, recruitment strategy and M&E.
- Written Commitment / Agreement (e.g. MoU) with Industry Association
- Support Programme for MSMEs: A comprehensive support/training programme tailored to the needs of artisan entrepreneurs/MSMEs, including schedules, delivery methods (online and in-person), and evaluation criteria.
- Participants report: Including short profiles for each selected MSME, outlining their current business model, potential for greening, number of anticipated job potential and justification for selection.



 Mentorship and Support Framework: A detailed plan for ongoing mentorship and support, including mentor profiles, mentor-mentee matching criteria, and support services.

Work Package 4: Delivery of Training and Support Programme

Objective: To effectively deliver the customized training and support programme to the previously identified MSMEs, facilitating their formalization, growth, and transition towards greener business practices.

Tasks

- Facilitate programme launch and orientation: Organize an introductory session for all selected MSMEs to outline the programme's objectives, structure, and expected outcomes.
- Training Sessions (over two months): Conduct training sessions according to the
 developed curriculum and timeline, covering Formalization, New & Green
 Technologies, Business Acumen, Expansion Strategies, Job Creation, and Market
 Access. Sessions should be designed to cater to different learning styles,
 incorporating a mix of lectures, workshops, and interactive activities. Utilize both
 online platforms and in-person workshops to ensure wide accessibility and
 engagement. Ensure that online content is accessible, engaging, and interactive to
 maximize learning outcomes.
- Mentorship (over 9 months): Initiate the mentorship program by pairing MSMEs with their mentors, facilitating initial meetings to set goals and expectations. The contractor must factor in possible coaching or consultation sessions for participants when they draft action plans for project implementation. An estimated maximum of 0,5 days per MSME per months should be allocated.
- Access to Resources and Support Services: Offer support services to access to
 necessary resources, including financial planning tools, market research databases,
 and green technology suppliers. Organize networking opportunities, both virtually and
 in-person, to allow MSMEs to connect with industry experts, potential clients, and
 each other. Facilitate up to two in-person events to allow MSMEs to connect each
 other and with the mentors (depending on the location one event with all participants
 or split in two events in two different regions)
- Ongoing Monitoring and Support: Implement a system for ongoing monitoring of each MSME's progress throughout the program, offering additional support and resources as needed. Schedule regular check-ins between MSMEs and their mentors to ensure continuous development and to address any emerging challenges.

NB: The first three packages can be initiated and completed in any order that the contractor prefers, without any requirement for sequential completion. The fourth package, however, is distinct as it involves the final delivery of training and support, and its commencement is contingent upon the completion of the initial three packages to ensure a coherent delivery of the entire project scope.

Deliverables for work package 4:



• Comprehensive Training and Support Overview should include:

- Schedule: A comprehensive schedule detailing the timing of training sessions, mentorship meetings, and networking events.
- Participant Engagement Report: Regular updates on participant engagement levels, feedback on training sessions, and progress in mentorship and networking activities.
- Resource Access Documentation: Documentation of the resources made available to MSMEs and their utilization rates.
- Progress Monitoring Reports: Quarterly reports summarizing the progress of each MSME within the programme, challenges encountered, and support provided.
- **Final Programme Report:** A detailed report at the end of the programme, evaluating its overall success, participant outcomes, and recommendations for future initiatives.
- Confirmation that 50 MSMEs have successfully completed the programme.
- Confirmation of the number of jobs created by the selected MSME's as a result of the business development support received.
- Provision of updated contact details of participants for survey purposes to GIZ contractor. The updated contact details will be requested 6 months post the completion of the intervention.

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Milestones/process steps/partial services	Deadline
Inception Report	Two weeks after contract start
Written Commitment with Industry Association	One month after contract start
Detailed Programme	One month after contract start
Selection of participants	One month after contract start
Onboarding and start of programme	Two months after contract start
Quarterly Progress Monitoring Reports	Every 3 months
Start of Mentoring	Four months after contract start
Draft Close Out Report	12 months after contract start
Close Out Report	13 months after contract start

Period of assignment: from 01.10.2024 until 31.08. 2025.

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further



method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system** (1.3.2).

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable, take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

The tenderer is required to describe its contribution to knowledge management for the partner (1.5.1) and GIZ and to promote scaling-up effects (1.5.2) under **learning and innovation**.

Project management of the contractor (1.6)

The tenderer is required to explain its approach for **coordination with the GIZ project**. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert months) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

The tenderer is required to describe **its backstopping concept**. The following services are part of the standard backstopping package, which (like ancillary personnel costs) must be factored into the fee schedules of the staff listed in the tender in accordance with Section 3.3.1 of the GIZ AVB:

- Service-delivery control
- Managing adaptations to changing conditions
- Ensuring the flow of information between the tenderer and GIZ
- Assuming personnel responsibility for the contractor's experts
- Process-oriented steering for implementation of the commission
- Securing the administrative conclusion of the project



4. Personnel concept

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 2), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team leader

Tasks of the team leader

- Overall responsibility for the advisory packages of the contractor (quality control, steering and coordination of assignment with responsible CPD4E technical advisor and if relevant with head of component and AV, deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project.
- Regular reporting in accordance with deadlines
- Ensuring results monitoring is conducted.
- Oversee project implementation.
- Responsibility for controlling the use of funds and financial planning in consultation with GIZ's officer responsible for the commission.
- Supporting the officer responsible for the commission in updating/adapting the project strategy, in evaluations and in preparing a follow-on phase
- Ad-hoc tasks where necessary

Qualifications of the team leader

- Education/training (2.1.1): University degree in Business Administration, Development Studies, Economics, International Relations, Project Management or equivalent
- Language (2.1.2): C1-level language proficiency in English
- General professional experience (2.1.3): 8 years professional experience in designing and delivering business development trainings for companies and facilitation of workshops
- Specific professional experience (2.1.4): 6 years of experience each in the areas of Greening the Economy, Just Energy Transition or Employment Promotion.
- Leadership/management experience (2.1.5): 5 years of experience in project management (including financial management of projects) and in leading of in-country teams of consultants.
- Regional experience (2.1.6): 3 years' experience in Southern Africa
- Development cooperation (DC) experience (2.1.7): 5 years of experience working on DC projects.
- Other (2.1.8): n/a



Key expert 1

Tasks of key expert 1

- Support the Team Leader in carrying out tasks especially related to preparation of training manuals and digital materials for the programme including developing work plan for work packages.
- Edit and adapt training material where necessary
- Digitalize training material and/or produce new (digital) training material where necessary
- Support the Team Leader in developing a strategy for scaling-up of the trainings
- Support the Team Leader in developing monitoring and evaluation plan and tools necessary to respond to CPD4E indicators

Qualifications of key expert 1

- Education/training (2.2.1): **)**: University degree in Business Administration, Development Studies, Economics, International Relations, Project Management or equivalent
- Language (2.2.2): C1 -level language proficiency in English
- General professional experience (2.2.3): 7 years proven professional experience in designing and delivering trainings and coaching to enterprises
- Specific professional experience (2.2.4): 8 years' experience in consulting programmes that support MSMEs in South Africa
- Leadership/management experience (2.2.5): Not applicable.
- Regional experience (2.2.6): Not applicable.
- Development Cooperation (DC) experience (2.2.7): 3 years of experience working on DC projects.
- Other (2.2.8): Not applicable.

Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

Short-term expert pool "Mentors" with minimum 3, maximum 5 members

Tasks of the short-term expert pool

- Provide mentorship to selected MSMEs
- Facilitate initial meetings to establish rapport, set clear goals, and outline expectations for the mentorship relationship.
- Assist MSMEs in defining specific, measurable, and achievable goals for their development and growth within the program's timeframe.
- Conduct regular check-ins over upon agreed timeline to monitor progress, address challenges, and adjust goals as necessary.
- Provide ongoing advice on formalization, business strategy, green practices, market expansion, and problem-solving.
- Share resources, tools, and contacts that can aid in the MSME's development and operational efficiency.
- Introduce MSMEs to industry experts, potential clients, and partners to facilitate market access and collaboration opportunities.



- Collect feedback from MSMEs on support measures to continuously improve their relevance and impact.
- Support TL/PM in organizing networking events as well as in assessing effectiveness of services and implementing adjustments during assignment period

NB: As described in Work Package 4 (Chapter 2), the tasks should be streamlined to ensure impactful engagement between mentors, MSMEs, and industry stakeholders.

Qualifications of the short-term expert pool

- Education/training (2.6.1): All experts with a full artisan qualification or university degree relevant to the respective field of the training/advisory service, such as green energy, energy efficiency, environmental management / engineering, social science or other relevant
- Language (2.6.2): C1 -level language proficiency in excellent communication skills both verbal and written in English
- General professional experience (2.6.3): 10 years professional experiences in the respective field of the training/advisory service (e.g. Business development, Solar PV, Water management, or Recycling)
- Specific professional experience (2.6.4): 2 years professional experience in green business skills
- Leadership/management experience (2.6.5): Not applicable
- Regional experience (2.6.6): Not applicable
- Development cooperation (DC) experience (2.6.7): Not applicable
- Other (2.6.8): Not applicable

NB: The qualifications for the experts in the expert-pool are listed above. However, no CVs need to be submitted for these experts in the technical offer. The pool of experts will not be included in the overall assessment, i.e. it will not be evaluated in the overall assessment of the bids. When commissioning experts from the pool later, the contractor must submit a CV to the GIZ budget/commission manager of the project for approval before deploying an expert from the pool. The person responsible for the budget/commission must confirm that the qualifications of the respective expert fulfil the specifications and requirements of the Terms of Reference in Chapter 5. Only then may an expert from the pool be deployed. A formal contract amendment is not required.

5. Costing requirements

Assignment of personnel and travel expenses

Per-diem and overnight accommodation allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable at https://www.bundesfinanzministerium.de).

Accommodation costs which exceed this up to a reasonable amount and the cost of flights and other main forms of transport can be reimbursed against evidence

All business travel must be agreed in advance by the officer responsible for the project.



Sustainability aspects for travel

GIZ would like to reduce greenhouse gas emissions (CO_2 emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO_2 efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

If they cannot be avoided, CO₂ emissions caused by air travel should be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The <u>Development and Climate Alliance (German only)</u> has published a <u>list of standards (German only)</u>. GIZ recommends using the standards specified there.

Specification of inputs

Fee days	Number of experts	Number of days per expert	Total	Comments
Designation of TL	1	30	30	
Designation of key expert 1	1	45	45	
Designation short-term expert pool with min. 3 max. 5 experts	1	225	225	
Travel expenses	Quantity	Number	Total	Comments
		per expert	In Rand	
Fixed travel budget	1	1-8	593,000.00	For all travel and travel related costs there is a budget of R 593,000.00 which is already in the price sheet and will be reimbursed against evidence.
				This budget should cover the following costs:
				• up to 28 domestic flights
				transportation, airport transfer
				up to 217 Per-Diems and accommodation allowance according to national GIZ regulations
				Visa costs
				The costs are reimbursed in accordance with the country table in the GIZ national travel



				expenses guidelines – per diem and accommodation as a lump sum, and all other travel and travel related costs against evidence. All travels must be agreed in advance by the officer responsible for the project. Travel expenses must be kept as low as possible.
CO ₂ compensation for air travel	28	R1,200.00	R33.600,00	A fixed budget of ZAR 33,600.00 is earmarked for settling carbon offsets against evidence.
Other costs	Number	Price	Total	Comments
Flexible remuneration	1	R200.000,0 0	R200.000,0 0	A budget of ZAR 200 000 is foreseen for flexible remuneration. Please incorporate this budget into the price schedule. Use of the flexible remuneration item requires prior written approval from GIZ.
Workshops/Events	1	R201.000,0 0	R201.000,0 0	Please note that there is a fixed budget for the implementation of the events totaling R 201,000.00, which is already deposited in the price sheet. This budget will be invoiced against evidence. This budget covers the following
				costs: rent for premises, catering, equipment and materials for up to 67 participants, see also below information.

Workshops and training

Please describe in your concept how you implement GIZ's minimum standards for sustainable event management (see annexes to the terms of reference).

The contractor implements the following events:

- Online Onboarding session for MSMEs to introduce the programme;
- two Networking events to allow MSMEs to connect each other.

The costs for logistics for the events will be taken over by the contractor and are included in the fixed budget above.

Networking Events budget: R 201.000,00



The fixed, unalterable budget above is earmarked for events and entered in the price schedule. The budget includes the following costs relating to the planning and running the event for up to 67 participants:

- Room hire
- Technical systems
- Catering
- Event materials (including printed materials as required).
- Other costs relating to the events

Note: Travelling expenses for the contractor's experts are not included in this fixed budget, but are offered separately, see table for specification of input above.

Note: Since a fixed budget are specified for travel costs and the events, these fixed budgets are not relevant for the overall assessment and are not included in the price assessment.

6. Inputs of GIZ or other actors

GIZ and/or other actors are expected to make the following available:

- GIZ will support the contractor by leveraging their and its partners network to help facilitate contact with stakeholders like industry associations etc.
- GIZ will cover costs for any additional events if they are deemed relevant and necessary, subject to prior approval.

7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English.

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English.

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.



8. Outsourced processing of personal data

Personal data collected by GIZ may be entrusted to the contractor in order to fulfil the contract. The contractor is obliged to protect this data under the standards of the GDPR, in particular the Art. 44-50 GDPR. The contractor shall act as an independent data controller for the personal data that he processes in connection with the contract and shall comply with the applicable obligations under data protection legislation.

In order to comply with data protection regulations, only aggregated and/or anonymized data will be submitted to GIZ.

9. Annexes

Minimum standards for sustainable event management at GIZ