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## Illustrative Scope of Work/Tender Document

### Information Gathering and Analysis to Facilitate Selection of Subsectors

AFE Training  
June 2004

## **I. Background**

One of the objectives of this project is to develop sustainable business services within specific subsectors. A subsector can be defined as follows:

### **Subsector**

A **subsector** can be defined as all the firms that buy and sell from each other in order to supply a particular set of products or services to final consumers. A subsector includes producers, processors, input suppliers, wholesalers, and retailers. A subsector is defined by a particular finished product or service (wood furniture, dried tomatoes, clothing production, etc.).

The project will be selecting subsectors to target for its development efforts. The objective of this consultancy is to gather the information necessary to do this.

## **II. Subsector Selection Criteria and Evaluation Format**

The project has selected the following criteria upon which to base the selection of subsectors:

### **1. Outreach**

- Number or significance of Micro, Small, and Medium Enterprises (MSMEs) in the subsector (these include producers who receive raw materials, finance, and other inputs from buyers and who are paid on piece-rate basis).

### **2. Market demand and Growth Potential**

- Evidence of strong effective demand for products being produced
- Demand for products exceeds supply (buyers have ready market for products but are unable to meet demand)
- Unmet demand from municipal authorities or large public works projects
- Potential competitiveness of the subsector in relation to the world market

### **3. Significant Presence of MSMEs in rural areas**

- Number of MSMEs (at all levels of the subsector) that exist outside of the urban areas

### **4. Significance of Forward and Backward Linkages among Domestic Market Actors**

- The number and volume of transactions that take place among domestic market actors in the subsector

### **5. Participation of Women**

- Number of women who are self employed, own businesses or work as employees of other firms in the subsector

## **III. Short List of Subsectors for Consideration [TO BE COMPLETED]**

The consultants will evaluate the following ten subsectors: tomatoes, maize, wood furniture... [to be completed]

#### IV. Tasks

Tasks under the consultancy will include the following:

1. Review the list of proposed subsectors and suggest any others that might meet the project criteria.
2. Conduct an assessment of each specific subsector identified in step 1. The objective of these assessments will be to:
  - a) collect information on each subsector in relation to the selection criteria mentioned in Section II above. This information will be both quantitative and qualitative in nature. While secondary studies can be consulted, this information should be based primarily on direct research with key informants from the subsector (key informants can be defined as any person with a broad understanding and knowledge of all aspects of the targeted subsector. They can include representatives from lead firms, consultants with specialization in the subsector, association officials, etc.) *[the consulting firm should demonstrate clearly in the proposal how they will present this information. Examples of the type of information that should be provided are listed in the table below]*

<b>Selection Criteria</b>	<b>Example of types of information that should be provided</b>
Outreach	<ul style="list-style-type: none"> <li>- Estimates on the number of enterprises for each type of firm in the subsector (input suppliers, producers, wholesalers, etc.)</li> <li>- Average firm size for the different types of subsector firms</li> <li>- Average salary for employees in different types of subsector firms</li> </ul>
Market Demand	<ul style="list-style-type: none"> <li>- Opinions and data from key informants on market trends and subsector competitiveness</li> <li>- Information from existing statistics/studies (taking validity of this information into account)</li> <li>- Examples of businesses that have problems meeting demand</li> <li>- Comparisons within the region (based on opinions from key informants of market information)</li> </ul>
Significant Presence of MSMEs in the rural areas	<ul style="list-style-type: none"> <li>- Estimate (in a few geographic zones) of the number of MSMEs (at all levels of the subsector) that exist outside of urban areas</li> <li>- Description of the type of enterprises in the subsector that operate outside of Dhaka city area</li> </ul>
Significance of Forward and Backward Linkages Among Domestic Market Actors	<ul style="list-style-type: none"> <li>- Description of the different kind of transactions that place among domestic market actors in the subsector</li> <li>- General description of the volume and number of these transactions between a given number of firms</li> </ul>
Participation of Women	<ul style="list-style-type: none"> <li>- Estimate of the number of women who are self employed, own businesses or work as employees in the subsector (should include participation at all levels of the subsector)</li> </ul>

- b) describe the primary actors operating in the subsector (producers, manufacturers, input suppliers, wholesalers, retailers, etc.) including their roles and interrelationships (see appendix 1 of TOR for example description).
- c) create a "blue-print subsector map" of each targeted subsector. This map should present, in graphical form, all the major actors in a targeted subsector. It should present the different supply channels that transform raw materials into finished products and then distribute those products to final consumers as well as the different markets or market segments to which products are sold (see appendix 1 of TOR for an example subsector map). The map should include an estimate of the number of firms (for each type of firm) on a national level. This will be a "draft" subsector map that will be further refined at a later point.

3. Present a draft report with the findings from task 2 above.

4. Organize a one-day workshop. The objective of this workshop will be to:

- rank subsectors according to each defined criteria
- choose five high priority subsectors

Participants in this workshop will include the contractor's consulting team as well as representatives from the project.

To facilitate the workshop, the consultants will make a brief PowerPoint presentation of each of the targeted subsectors. This presentation will present information gathered relative to each of the selection criteria, following which the participants will give a score of 1-3 (high, medium, or low) for each criteria. The results will be presented in the format below:

Criteria	Percentage	Ranking (1-3)*	Score (% x ranking)
Outreach	25		
Market demand	30		
Presence of MSMEs in Non-Dhaka Areas	15		
Significance of Forward and Backward Linkages Among Domestic Market Actors	15		
Participation of Women	15		
<b>Total</b>	100%		

Once this process is complete the results will be tabulated and five high priority subsectors will be selected.

4. Present a final report that incorporates all activities and results of the consultancy.

## V. Deliverables

Deliverables under this consultancy will include the following:

- interim report (described in point 3 under section IV of TOR)
- workshop (described in point 4 under section IV of TOR)

- final report - the final report should contain information on all of the points in the terms of reference including the results of the workshop. It will also include the scope of work and a list of all key informants interviewed.

Reports will be submitted in both electronic and hard copy.

#### **VI. Time Frame and Proposed Level of Effort**

This work will take place during a four week period between December 2002 and mid-January 2003. The consultants will propose a staffing scenario consistent with the requirements of the terms of reference.

#### **VII. Proposal Contents and Evaluation Criteria**

All interested candidates will submit the following documents as part of their proposal:

1. Technical proposal (not to exceed 10 pages) - the technical proposal should reflect how the consulting firm will undertake all of the tasks in the TOR, and demonstrate clearly how information on the different selection criteria will be presented.
2. Financial budget (with explanation of line items)
3. Appendices
  - one page cv of up to five key personnel proposed for the consultancy
  - one page general profile of consultants who will be conducting the field-work
  - 2-3 page capability statement

Proposals will be evaluated according to the following criteria:

1. Proposed personnel (50%) (ability to address different areas)
2. Technical proposal (25%)
3. Corporate capability (25%)

Proposals should be submitted in both electronic and hard copy no later than 5pm on December 5<sup>th</sup>, 2002 to the following:

[address]

### **APPENDICES**

**Appendix 1:** Illustrative Description of Primary Subsector Actors + Blueprint Subsector Map