**Terms of reference   
and technical Specifications**

1. **General information**

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| Assignment name | **Follow-up of SEZ contribution to the SME integration and local economic development** |
| Beneficiary | **AU Commission** |
| Country | **Ethiopia** |
| Total estimated number of days | **90 days** |

1. **Context and justification of the need**

Expertise France is a French public international cooperation agency. It designs and implements projects which aim to contribute to the balanced development of partner countries, in line with the Sustainable Development Goals (SDGs) of the 2030 Agenda and the priorities of France’s external action. Expertise France’s mission is to meet the demand of partner countries seeking to enhance the quality of their public policies in order to address the environmental, social, economic and security challenges they are facing. The agency achieves this goal by implementing projects in the main areas of public action:

- Democratic, economic, and financial governance.

- Stability, international security and peace Stability, international security, and peace

- Sustainable development, climate, and agriculture

- Health and human development

In order to give substance to this dialogue and to enshrine it in the long term, a total of EUR 4.5 Million in funding have been granted by the French Development Agency ‘AFD) to Expertise France in the form of a technical assistance and capacity-building facility to support the AU on issues within its area of expertise under 3 programmed phases (2020-22/2022-24/2024-26).

Based on a request from different departments from the AU Commission, the French Facility for Technical Assistance to the African Union facilitated the conduct of a number of studies, strategy and policy papers aimed at supporting the African Union Commission on topics related to economy and commerce.

**Africa Union SME strategy**

The African Union, established as a unique Pan African continental body, is charged with spearheading Africa’s rapid integration and sustainable development by promoting unity, solidarity, cohesion, and cooperation among the peoples of Africa and African States as well as developing a new partnership worldwide. As part of the efforts to inspire economic growth and transformation on the continent, the AU has developed the SME Strategy for Africa in line with its 2063 agenda ‘’Africa we Want’’. The vision of the AU SME Strategy is to “develop competitive, diversified and sustainable economies underpinned by dynamic, entrepreneurial and industrial sectors that generate employment, reduce poverty and foster social inclusion”.

Considering the AU’s comparative advantage in engaging RECs and Member States and recognizing that Africa’s private sector has not been an important source of competitive, diversified, and sustainable job growth, the strategy identifies how the AU can leverage its convening power to engage RECs as well as Member States in re-examining how to strengthen and reinvigorate the private sector engagement in SMEs to achieve the set goal. To making significant stride towards the realization of AU vision, the strategy hinges on seven pillars that are presented below:

1. ***Create an enabling business environment and ensure energy access and infrastructure.***
2. ***Facilitate innovation and technology and promote start-ups, knowledge-based sectors, and growth enterprises.***
3. ***Promote access to innovative financing.***
4. ***Ensure access to markets, export competitiveness and regional integration.***
5. ***Promote business development services and institutional capacity building.***
6. ***Promote learning practices and knowledge management.***
7. ***Promote inclusive entrepreneurship (youth, women) and livelihood development.***

The implementation of AU SME strategy is essential to make SMEs competitive in export markets, especially under the AfCFTA, which aims to boost intra-continental trade through agreements on rules of origin, preferential tariffs, trade procedures and regulations. Thanks to these agreements, African SMEs will find favorable condition for growing their business on the continent.

The AU SME strategy is implemented by the Economic Development, Trade, Tourism, Industry and Minerals Department (ETTIM), in close collaboration with RECs, Member States and the private sector and in partnership with international and bilateral development agencies and Development Finance Institutions.

**Follow-up of SEZ contribution to the SME integration and local economic development**

Under Phase 2 of the AU Facility, in support with the implementation of the AU SME Strategy, a study was elaborated with the objective of identifying and assessing SEZs' contributions to SME growth in Africa. The study identified several critical aspects where SEZs can significantly impact SME development:

* ***High-Growth Sectors: SEZs have the potential to boost sectors such as manufacturing, agro-processing, and technology.***
* ***Quality Infrastructure: access to quality infrastructure within SEZs and in proximity to business operations is crucial for SME operations and improved competitiveness.***
* ***Local Economic Development: SEZs can enhance local economies through integrated economic systems (facilitated by the SMES) leading to the creating of jobs and fostering local entrepreneurship.***
* ***Access to Finance: Financial mechanisms within SEZs can provide SMEs with necessary funding and within the broader financial architecture.***
* ***Skills and Qualifications: SEZs can offer training and development programs to enhance the skills of the local workforce.***
* ***Environmental, Social, and Governance (ESG) Considerations: Implementing ESG standards within SEZs ensures sustainable and inclusive growth.***

Based on the findings, the following strategic recommendations were made:

* ***Policy Alignment and Support: Align SEZ policies with national SME development strategies to create a coherent support system.***
* ***Infrastructure Development: Invest in developing and maintaining high-quality infrastructure within SEZs.***
* ***Financial Support Mechanisms: Establish dedicated financial instruments and incentives for SMEs within SEZs.***
* ***Skills Development Programs: Implement vocational training and capacity-building programs tailored to the needs of SMEs.***
* ***ESG Implementation: Ensure that SEZs adhere to ESG standards to promote sustainable development and social inclusion.***
* ***Public-Private Partnerships: Foster partnerships between governments, private sector, and international organizations to support SEZ and SME initiatives.***
* ***Monitoring and Evaluation: Develop robust M&E frameworks to track the progress and impact of SEZs on SME growth.***

To effectively support the implementation of recommendations from the study on SEZs' contributions to SME growth in Africa, a comprehensive approach is necessary. This involves sensitizing stakeholders, fostering collaborations with strategic partners, providing capacity-building training programs, advocating for supportive policies, and establishing a robust monitoring and evaluation framework. By focusing on these areas, a conducive environment will be created for SME growth in SEZs and contribute to the overall development of the African continent.

1. **Objectives and desired results**
   1. **General objective**

In this context, the scope of the work will focus on starting the implementation of the Action Plan of AUC ETTIM’s report on ‘’SEZ contribution to the SME integration and local economic (first phase of the support). Due to the need for mobilising additional funding for supporting the whole action plan of AUC study, the first phase will be an opportunity to contact, discuss and finalise partnership agreement between AUC-ETTIM and potential Development Institutions (DFIs) and Development Agencies for implementing the second phase of the project in a short-term future.

* 1. **Specific objectives**
* Elaboration of a Guideline on ‘’SEZ contribution to SMEs integration and local economic development’’
* Design the Term of Reference of the SEZ-SME development Task Force comprising high-level AUC partner organizations.
* Assistance provided to the AUC to setting-up the Task Force
* Support provided during awareness campaigns on ‘’SEZs contribution to the SME integration and local economic development.’’
* Support provided to the ETTIM Department to help mobilize financial resources through a blending approach with Development Finance Institutions (DFIs) and Development Agencies interested to support SME integration in SEZs.
  1. **Outcome**

The experts should provide the following outcomes:

* Task Force established and operational.
* A guideline elaborated on ‘’SEZ contribution to the SME integration and local economic development’’ ready for dissemination and presentation to STC, to AU member states and partners.
* At Least one partnership agreement between AUC-ETTIM, a FDI or a Development agency for supporting SMEs integration in SEZ.
* Member states, development agencies, public and private organizations sensitized on the issue of SME integration in SEZ.

1. **Description of the assignment**
   1. **Planned activities.**

**PHASE 1 (2024-2025):**

**Priority action: Collaborations between Stakeholders (90 days)**

1. To elaborate a guideline on ‘’SEZ contribution to SMEs integration and local economic development’’ (maximum 50 pages). This document will be presented by AUC’s ETTIM Department to the Specialized Technical Committee (STC), AU country members, and donors interested to support SMEs integration in SEZs.

***Number of days: 10***

***Deadline: December 2024***

1. To design the Term of Reference of SEZ-SME development Task Force comprising high-level AUC partner organisations. The Task Force will include, among others: the AUC-ETTIM Department, RECs, AfCFTA secretariat, NEPAD-AUDA, AEZO, World Free Zone Organisation (WFZO), FEMOZA (the World Free Zone and Special Economic Zones Federation), Afreximbank, AfDB, Pan African SME organisations.

The main goals of the Task Force are:

* To monitor the progress of the implementation of the project, to guide and provide policy recommendations for improving the execution of the project.
* To make recommendations for mobilising funding for implementing the pilot projects.
* To validate the selection of pilot projects aiming to integrate SMEs in SEZ economic structures.

***Number of days: 5***

***Deadline: December 2024***

1. To assist AUC’s SME Unit in setting-up the Task Force through the following actions:

* Validation of the members of the Task Force by AUC
* Preparation and organisation of the first Task Force meeting (tentative agenda of the meeting, logistics arrangement)
* Participation at the first Task Force meeting
* Ensuring the secretariat of the meeting and reporting

***Number of days: 14***

***Deadline: February 2025***

1. To organize Awareness campaigns on ‘’SEZs contribution to the SME integration and local economic development’’. The awareness campaigns will take place in the framework of AUC-ETTIM, AEZO and WFZO events dedicated to SEZ and-or SME development. It is proposed **1 awareness campaign in 2024 and 1 in 2025**. The expected tasks linked to this activity are the following:

* To assist AUC-ETTIM Department on the preparation of awareness campaigns, to participate at the events.
* To moderate the workshops dedicated to SEZs-SMEs integration.
* To organize meeting with SEZs, government and SMEs organisations representatives for encouraging the transformation of SEZ policies for better co-hosting SMEs.

***Number of days: 36 days (12 days per event, including the preparation, participation at the events and reporting).***

1. Mobilization of financial resources through a blending approach

* In close collaboration with the AU ETTIM department, to identify Development Finance Institutions (DFIs) and Development Agencies interested to support SME integration in SEZ in the framework of Phase 2 of the project.
* To contact and discuss collaboration initiatives between AUC-ETTIM, DFIs and Development Agencies for supporting SMEs, including their integration in SEZs
* To conclude at least one principal agreement between AUC-ETTIM, a DFI or a Development agency

***Number of days: 25***

***Deadline: June 2025***

The successful implementation of the SEZ SME action plan will significantly enhance the role of SMEs in African economies, driving sustainable growth and development. The collaboration between the AUC, member states, and strategic partners is crucial to realizing this action plan.

* 1. **Anticipated deliverables**

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|  | Submission |
| Inception report | 3 weeks after the starting of the contract |
| First report | After the elaboration of TOR of the Task Force, its establishment and the elaboration of a guideline on SEZ contribution to the SME integration and local economic development |
| Draft final report | After the conclusion of the partnership agreement between AUC-ETTIM, a DFI or Development Agency and a finalisation of the 2 awareness campaigns |
| Final report | After integration of AUC-ETTIM and Expertise France comments and recommendations on the draft final report |

* 1. **Submission and approval of reports**

An electronic version of the reports referred to above must be submitted to the Coordinator of the French-AU Technical Facility. The reports must be written in English. The coordinator is responsible for approving the reports.

AUC (ETTIM Department, SME Unit) will be involved in commenting on and approving the reports. In the absence of comments or approval by the partner country fifteen working days, the reports are deemed to be approved.

* 1. **Language requirement**

Proficiency in one of the African Union working languages, proficiency of two or more other working language(s) would be an added value. The ability to communicate in both English and French (oral and written) will be an asset.

* 1. **Evaluation criteria**

Interested candidates must provide information demonstrating that she/he has the required qualifications and relevant experience to perform the services. Consulting firms may propose individual consultant/s, but only the experience and qualifications of individuals shall be used in the selection process, and that his or her corporate experience shall not be considered, and the contract would be signed with the proposed individual.

Interested candidates are requested to submit their CV together with the copies of their diploma, employment certificates and possibly the references.

* 1. **Coordination**

The service provider shall designate a single contact person for project implementation purposes.

M. Kervin Kumapley, Project Coordinator of the AU Facility will be the service provider’s contact persons.

Name: **Kervin Kumapley**

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1. **Place, duration and terms of performance**
   1. **Implementation period**: From the date the contract is awarded to latest 31/12/2025
   2. **Start date:** From the date the contract is awarded.
   3. **Latest end date:** 31/12/2025

Mission location: The mission is home based. Missions to awareness campaigns on ‘’SEZs contribution to the SME integration and local economic development’’ could be requested and financed by AUC.

The duration of the assignment is maximum (1) year, starting from the date of contract signing.

1. **Required expertise and profile**
   1. **Number of experts per assignment:** 2
   2. **Profile of the designated expert(s) responsible for contract execution**

**Team leader - Senior Trade and Private Sector Development: 45 days**

The Team Leader will provide advice and technical support to the French-AU Technical Facility stakeholders on the design of the Policy Paper. In addition, she/he will be responsible for the day-to-day management of the mission, including planning, coordination of inputs, ensuring that outcomes are delivered, and that the overall quality of the services provided is maintained. The Team Leader will have overall responsibility for the smooth running and timely implementation of the project. She/he will be responsible for coordination with the main stakeholders and networks approached during the mission.

***Qualifications and skills:***

• At least a master’s degree or equivalent diploma in economics, business administration, engineering, or related field.

• Excellent communication and leadership skills and experience in establishing strong working relationships with a wide range of stakeholders.

• Fluency in English, including excellent speaking, presentation, and written reporting abilities. Other languages (French, Spanish, Portuguese…) is an advantage.

***General professional experience:***

• At least 15 years of experience in any of the following fields or in a combination of the following fields: private sector and value chains development, SME and start-ups development, competitiveness, innovation, export development.

• Strong abilities to develop policies, strategies and to formulate programmes/projects, including action plans, budgeting, implementation, and monitoring of the activities.

• Proven leadership skills and successful experience in project coordination and team management.

• Experience working in multicultural environment.

***Specific professional experience:***

• At least 10 years of experience in implementing business and investment projects for SMEs in Sub Saharan Africa (SSA).

• Experience in the application of the donor procedures related to the implementation of development.

• Solid analytical, writing skills, and communication skills (including developing advocacy messages).

• Experience working with high-level policymakers and with Business Development Organizations from Africa and EU organizations supporting the private sector (chambers of commerce, investment and trade promotion agencies, sectoral professional associations…).

• Ability to process data, prepare synthetic and analytical reports and formulate evidence-base recommendations to stakeholders.

• Knowledge of AU and REC’s agenda for supporting the private sector in the continent is an advantage.

• Knowledge of the international and bilateral development agencies and Finance Development Institutions supporting the private sector in Africa is an advantage.

• Knowledge in any of the following fields or in a combination of the following fields: Industrial Parks, Special Economic Zones is an advantage.

**SME ecosystem expert: 45 days**

***Qualifications and skills:***

• At least a master’s degree or equivalent diploma in economics, business administration, engineering, or related field.

• Excellent communication, leadership skills and experience in establishing strong working relationships with a wide range of stakeholders.

• Fluency in English, including excellent speaking, presentation, and written reporting abilities. Other languages (French, Portuguese…) is an advantage.

***General professional experience:***

• At least 10 years of experience working in SME ecosystem area.

• In-depth knowledge on SMEs challenges and perspectives in Africa.

• Experience on investment promotion and SME access to market.

• Experience in Policy design and implementation.

• Experience working with start-up and Innovation Organizations (incubators, Tech Labs, innovation hubs, accelerators) ecosystem.

• Strong abilities to develop policy, strategy documents.

• Experience working with at least one REC’s.

• Experience working with Development Finance Institutions.

***Specific professional experience:***

• At least 7 years of experience in designing and implementing private sector development programme with focus on SME support, Start-ups and entrepreneurship development

• Experience in the application of the donor procedures related to the implementation of development

• Solid analytical, writing skills, and communication skills (including developing advocacy messages)

• Experience working with policymakers and with Business Development Organizations from Africa supporting the private sector (chambers of commerce, investment and trade promotion agencies, sectoral professional associations…).

• Ability to process data, prepare synthetic and analytical reports and formulate evidence-base recommendations to stakeholders.

• Knowledge in any of the following fields or in a combination of the following fields: Industrial Parks, Special Economic Zones, value chain and cluster development.