

TERMS OF REFERENCE FOR BUSINESS DEVELOPMENT SERVICES OFFICER UNDER THE SUPPORT TO SOMALI MSMEs PROGRAM IN SOMALIA

German Financial Cooperation with the Federal Republic of Somalia

Position Title	Business Development Services Officer
Position type	Individual Consultant
No of Lots	1
Office/Programme	Programme Number BMZ Nr. 2020 67 239
Conditions of Work	<p>The conditions of work are defined in the:</p> <ol style="list-style-type: none"> 1. Conditions of Tender 2. Draft Consulting Contract 3. The Present ToR
Duration of Contract	12 months extendable subject to satisfactory performance
Conditions of Payment	Lumpsum Equal Monthly Payments

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Abbreviations

BDS	Business Development Services
BMZ	German Federal Ministry for Economic Cooperation and Development
E&S	Environmental and Social
ESMF	Environmental Social Management Framework
EU	European Union
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDA	International Development Association
ILO	International Labour Organisation
IMF	International Monetary Fund
KfW	German Development Bank (Kreditanstalt für Wiederaufbau)
KII	Key Informant Interviews
MIS	Management Information System
M&E	Monitoring and Evaluation
MSMEs	Micro, small and medium enterprises
PFI	Participating Financial Institutions
SCALE UP	Somalia Capacity Advancement, Livelihood and Entrepreneurship, though digital uplift program
ToR	Terms of Reference
WB	World Bank

1.1 Background and Context

A central challenge facing Somalia is enormous barriers to accessing services that would provide economic opportunities for the population. In particular, elite clan-based and lack of access to advisory and financial services such as credit for local micro, small, and medium enterprises is a major barrier to economic growth and job creation (core problem). In any case, the population has little trust in the state, and the almost non-existent fiscal space further limits the Somali government's ability to act.

Somalia's economic growth has declined over the past years. A combination of domestic political tensions, measures to contain the Covid-19 pandemic, extreme drought events resulting from climate change, and a decline in remittances from Somalis living abroad have led to a contraction in gross domestic product by 1.5% to just under \$5 billion. The important livestock sector was hit by a locust invasion, drought and floods, and a ban on imports by Gulf countries hit particularly hard. The IMF forecasted the economy to recover by an average of 3% per year (adjusted for inflation) between 2022 and 2024, with favorable trends being rapid urbanization, the growing population, remittances from the diaspora and the introduction of new technology.

The MSME sector:

The main challenges for Somali MSMEs, according to an EU study from 2021, are clan-based restrictive access to credit, lack of formality, limited general advisory services, poor infrastructure, and fragile markets with weak and disrupted supply chains. Two of these five challenges will be addressed by the KfW funded Support to Somali MSMEs project through Gargaara: clan-based restrictive access to credit and limited supply of extension services.

Restrictive access to credit: Formal financial institutions serve only about 7 % of the demand for credit. Although all Somali banks are adequately capitalized and have sufficient liquidity, the productive sector is not attractive for lending. The margins are low, the companies have to be extensively audited, and in the absence of sufficient collateral, the risks are perceived as high. Banks prefer the more lucrative financing of real estate or trade transactions. Short-term trade finance accounts for about 85% of the total portfolio of all Somali financial institutions. Because of this, many financial institutions have no experience in investment lending or in lending to micro, small, and medium-sized enterprises, and also have a weak pipeline of bankable MSMEs operating in productive sectors of the economy. Consequently, this results in little to no lending to MSMEs and/or poor credit quality. For MSMEs, the terms offered for investment loans are too expensive and require collateral, which most cannot provide. As a result, about two-thirds of all Somali enterprises rely on

their own funds or their personal connections - mostly clan-based networks. Entrepreneurs who do not have either are systematically disadvantaged.

Limited range of consulting services for MSMEs: Many micro, small and even medium-sized enterprises operate with a high degree of informality and need assistance to become more professional. A certain degree of formality, particularly in the area of accounting is also a prerequisite for obtaining a bank loan. This assistance is provided by professional business consultants, but in less developed. It is however, mostly provided by donor-funded programs and nongovernmental organizations. The choice of business consultants in Somalia is limited.

1.1 About Gargaara

Gargaara is an Apex Financial Institution, licenced by the Ministry of Commerce and Registered by the Central Bank of Somalia, established as a dedicated and autonomous agency. Gargaara is a leading financial institution in Somalia facilitating access to finance to Micro, Small and Medium enterprises (MSMEs). It takes a bold and innovative approach to drive reform within the financial sector and create financial inclusivity. Gargaara's development plan makes innovation and professional services formalise businesses to ensure they are properly structured to facilitate financial intermediation. Through this inclusion, guidance and support, Gargaara seeks to unlock the potential of MSMEs in Somalia and deliver economic empowerment and opportunities to the underfunded MSME Sector. Its direct and indirect beneficiaries include Participating Financial Intermediaries (PFIs) and MSMEs to whom it provides knowledge and experience in lending and working with local financial institutions and access to finance for expanding their business in Somalia.

Gargaara is supported financially by Development Partners including the World Bank and KfW. The KfW funded Strengthening Somali MSMEs is one such support programme which is fully funded by BMZ through KfW.

1.2 About KfW- Funded Strengthening Somali MSMEs

The overall Project concerns the support of Somali micro, small and medium-sized enterprises (MSMEs) via the financial institution Gargaara. The purpose of the overall Project is to create and sustain jobs through improved access to financial services. In addition, the project aims to contribute to the formalization and modernization of the financial services sector through the provision of loans on the basis of transparent, objective and economic criteria. More formalized structures can contribute to less dependency on the traditional clan structures and thus enhance social cohesion. Gargaara as an institution shall be strengthened and enabled to play a more active and supportive role locally for the MSMEs. The Project has a component on refinancing Somali commercial banks and microfinance institutions and a component on business development services to micro, small and medium-sized enterprises. The refinancing component is used to refinance currently 7 banks and 2 microfinance institution to provide financing to Somali MSMEs from the

following 8 productive sectors: Agriculture, Renewable energy, Livestock, Fisheries, Health, small-scale manufacturing, education, hospitality and travel. The business development services will be provided to MSMEs which are funded by a bank or microfinance institution participating in the Gargaara program. The business development services have the aim to improve the performance of the company in order to increase the probability of its investment's success. The World Bank uses IDA funds to finance MSME loans in the renewable energy, fisheries, agricultural processing and small-scale manufacturing sectors via Gargaara. Complementary to this, the German funds are used for loans in the education, health, hospitality and tourism sectors. All other structures and conditions created by the World Bank with Gargaara will also be applied to the BMZ/KfW financing. The financing of the advisory services is equally divided in a complementary manner: Germany finances advisory services for Gargaara as well as for the MSMEs participating in the program; the World Bank, on the other hand, finances advisory services for the partner banks, microfinance institutions and MSMEs interested in the program but not yet supported.

1.3 About MSMEs

As of the end of Q3 2024, a total of **1,924 MSMEs** across various productive sectors have received loans from PFIs through funding from the **World Bank (WB)** and **KfW**. Of these, **820 MSMEs (42.6%) were women-led**. However, while women-led MSMEs represented a significant portion of the loan recipients, their share of the total loan portfolio accounted for only **8%**, indicating that the amounts disbursed to them were relatively small.

In response to this disparity, **Gargaara** has initiated targeted support for this segment by recruiting **business development mentors** specifically focused on women-led enterprises. These mentors—**female professionals**—will be deployed across three key regions: **Banadir**, **Greater Southern Somalia**, and **Somaliland**.

Additionally, **male- and youth-led MSMEs** also require tailored business development support, underscoring the broader need for these services across all enterprise categories.

2. Objective and Scope of the Assignment

2.1 Objective

The objective of this assignment is to strengthen the capacity of **Gargaara Company Limited** in the overall management and supervision of **Business Development Services (BDS)** under the **KfW-funded "Support to Somali MSMEs"** program. The assignment also aims to enhance Gargaara's capabilities in **knowledge management related to BDS**.

The **Consultant** will work in close collaboration with Gargaara's management and technical teams, as well as with **DT Global**, the implementation consultancy partner, to ensure that Gargaara effectively fulfills its role in delivering Business Development Services within the sector.

The final purpose of the position is to coordinate and co-implement BDS measures of Gargaara which should ultimately result in improving the investment and credit readiness of the MSME target groups.

2.2 Scope of services

The Consultant will be responsible for the following key tasks:

1. **Lead coordination efforts** between MSMEs, their umbrella organizations, Chamber of commerce, and trade associations to ensure effective communication, collaboration, and representation of interests.
2. **Support Gargaara in the contract management and quality assurance** of Business Development Services (BDS) delivered under the KfW-funded program, ensuring services meet agreed standards and objectives.
3. **Facilitate coordination** between Gargaara and **Participating Financial Institutions (PFIs)** on critical MSME business development issues, fostering alignment and integrated support mechanisms.
4. **Strengthen knowledge management** of BDS activities implemented by Gargaara, including documentation, data analysis, and dissemination of best practices to enhance institutional learning and impact.

3. Specific Tasks and Responsibilities

Working in close collaboration with the **Gargaara focal person** for the **KfW-funded “Strengthening of Somali MSMEs” program**, the **Gargaara Administrative Assistant**, and the **DT Global Procurement Expert**, the Consultant shall be responsible for fulfilling the following tasks:

3.1 Detailed Description of Tasks:

3.1.1 Lead Coordination efforts of MSMEs through their Trade Associations and/or Umbrella Organisations, chamber of commerce

The Consultant will undertake the following tasks in close coordination with the Gargaara focal person for the KfW-funded *Strengthening of Somali MSMEs* program, the Gargaara Administrative Assistant, and the DT Global Procurement Expert:

1. **Mapping of MSME Umbrella Organizations and Trade Associations**
Identify and document existing MSME umbrella organizations and/or trade associations across the following productive sectors:
 - Agricultural Processing
 - Renewable Energy
 - Fisheries
 - Livestock Development
 - Education
 - Hospitality and Travel
 - Health
 - Manufacturing

The mapping will include details such as geographical coverage, membership size and composition, registration status, vision and objectives, organizational history, funding sources, and any other relevant information.

2. **Institutional/Organisational Capacity Assessment**

Develop appropriate assessment tools (e.g., questionnaires, key informant interview guides, observation tools) to evaluate the capacities, operational status, and institutional strengths and weaknesses of the identified umbrella organizations and trade associations.

- Share the tools with the Gargaara team for feedback prior to fieldwork.
- Conduct assessments and compile **Institutional/organisational Capacity Assessment Reports** with sector-specific findings and clear, actionable recommendations.
- Submit the final reports to Gargaara for review.

3. **Support Formation of Trade Associations in Missing Sectors**

Engage with MSMEs in sectors where trade associations are absent.

- Map out strategies and develop roadmaps for the establishment of new trade associations or umbrella organizations.
- Document the process, outcomes, and provide clear recommendations and implementation plans.
- Submit a comprehensive report to Gargaara.

4. **Facilitate and Participate in Regular Coordination Meetings**

Attend and support coordination efforts by participating in regular meetings (e.g., monthly) with MSME associations and umbrella organizations.

- Document meeting proceedings through well-structured minutes including clear action points.
- Follow up on the implementation of these action points and provide progress updates.

5. **Develop Capacity-Building Plans**

In collaboration with Gargaara and the trade associations:

- Develop tailored capacity-building plans for each association.
- Include estimated budgets, recommended training areas, and any relevant implementation details.
- Present the plans to Gargaara for review and consideration for KfW or other donor funding.

6. **Promote Inclusive Representation**

Ensure full and inclusive representation of MSMEs within their respective trade associations.

- Identify and address any gaps in participation or challenges that hinder effective representation.
- Proactively mediate and support resolution efforts.

7. **Coordinate Common Events**

Lead planning efforts for cross-cutting events such as trade fairs, conferences, learning tours, and sectoral forums.

- Collaborate closely with the relevant trade associations.
- Submit detailed plans to Gargaara for further consideration and possible funding.

8. **Promote Peer Learning and Mentorship**

Champion peer-to-peer learning and mentorship initiatives among MSMEs.

- Identify and support the development of business role models in each sector.

- Facilitate events and knowledge-sharing sessions that highlight success stories and promote sector-specific learning.

3.1.2 Support Gargaara in contract management and quality assurance of business development services implemented under the KfW funding.

The Consultant will work in close coordination with Gargaara teams and the **DT Global Procurement Expert** to support **contract management** and **quality assurance** of Business Development Services (BDS) implemented under the KfW-funded program. Specifically, the Consultant will be responsible for the following tasks:

1. **MSME List Preparation**

Prepare a comprehensive list of MSMEs to be assessed by the BDS service provider across the eight productive sectors. This process should consider workload distribution and be conducted in close consultation with Participating Financial Institutions (PFIs) and relevant Gargaara teams.

2. **Monitoring of Deliverables and Timelines**

Track the timelines for deliverables from both the consultancy firm and the Women Mentors. Promptly alert Gargaara of any delays to enable timely corrective action.

3. **Review and Quality Assurance of BDS Service Provider Deliverables**

Conduct a thorough review and provide feedback on all BDS deliverables submitted by the service provider. Ensure full redress of issues and confirm the quality and completeness of the following outputs:

- a. Categorized list of MSMEs
- b. BDS assessment tools, including digital tools (e.g., KoboCollect)
- c. BDS assessment implementation plan
- d. Resource utilization plan and budget
- e. Inception report for Stage 1 (BDS assessments)
- f. BDS assessment report
- g. Inception report for Stage 2 (BDS design)
- h. BDS implementation plan
- i. Training modules
- j. Resource allocation plan
- k. Monitoring and evaluation (M&E) plan
- l. Environmental & Social (E&S) compliance report
- m. Report on cross-cutting issues
- n. BDS mentorship program
- o. BDS implementation report – Stage 3
- p. Monthly M&E reports

4. **Spot Evaluation Checks – BDS Effectiveness**

Develop evaluation tools (subject to Gargaara's review and approval) and conduct spot evaluation checks to assess the effectiveness of the BDS services provided. Submit detailed findings to Gargaara before the service provider contracts expire.

5. **Training and Coaching Session Oversight**

Attend selected training and coaching sessions delivered by BDS service providers.

Assess the relevance, quality, and effectiveness of the sessions and present your findings in a joint forum with the service provider and Gargaara teams.

6. **Review and Quality Assurance of Women Mentors' Deliverables**

Similarly, review and provide quality assurance for all deliverables submitted by the three Women BDS Mentors. Ensure full redress of the following outputs:

- a. Categorized MSME lists
- b. Assessment tools (including KoboCollect uploads)
- c. Assessment implementation plans
- d. Resource utilization plans
- e. Assessment reports
- f. BDS design inception reports
- g. Mentorship implementation plans
- h. Coaching and mentorship modules
- i. BDS and mentorship resource allocation plans
- j. Mentorship compliance reports
- k. Reports on cross-cutting issues
- l. Mentorship program outlines
- m. Mentorship implementation reports
- n. Monthly monitoring reports

7. **Spot Evaluation Checks – Women and Youth-Led MSMEs**

Prepare evaluation tools, obtain Gargaara's feedback, and conduct spot evaluations to assess the effectiveness of mentorship services provided to women- and youth-led MSMEs. Submit findings before the conclusion of the Women Mentors' contracts.

8. **Oversight of Women Mentors' Training Sessions**

Attend selected training and coaching sessions delivered by the Women Mentors. Evaluate session effectiveness and provide feedback in a dedicated review session with the Women Mentors and Gargaara teams.

9. **Participation in Technical Evaluations and PFI Accreditation**

Upon invitation by Gargaara, participate in technical evaluations of BDS and PFI service tenders and in processes related to PFI accreditation.

3.1.3 Support Gargaara in **coordination efforts** with Participating Financial Institutions on key MSMEs business development issues.

The Consultant will regularly organize and participate in **coordination meetings with PFIs** (e.g., on a monthly basis) to discuss and harmonize efforts related to MSME business development. These meetings aim to ensure:

1. **Avoidance of duplication** in business development initiatives, including those supported by other donors or implemented directly by PFIs.
2. **Inclusive support** to all eligible MSMEs, ensuring no qualified enterprise is left behind.
3. **Effective planning and execution** of MSME BDS activities across sectors and regions.

4. That BDS services **lead to tangible outcomes**, such as improved and successful loan applications, progressive increases in financing, and other measurable performance indicators.
5. That MSME loans are approved based on **transparent and merit-based criteria**, aligned with the enterprises' assessed capacities.
6. That **grievances and complaints** from MSMEs are addressed promptly and fairly by PFIs and relevant stakeholders.
7. That a **conducive business environment** and strong customer relations are cultivated to enable MSMEs to thrive in Somalia.

The Consultant will document and archive **detailed meeting minutes**, including specific action points, and share these with Gargaara. Additionally, the Consultant will **track progress on action items**, identify any persistent challenges, and work with Gargaara to ensure appropriate resolution and follow-up.

3.1.4 Knowledge management of business development activities implemented under Gargaara

The Consultant will work in close collaboration with **Gargaara's IT staff** and **DT Global's IT experts** to ensure that all information related to MSME Business Development Services (BDS) is properly archived and maintained within the **Management Information System (MIS)** currently under development.

In particular, the Consultant will:

- **Coordinate with relevant stakeholders** to ensure timely and consistent updates of BDS implementation data into the MIS.
- Ensure that **Gargaara staff are adequately trained** on how to access, trace, and retrieve information from the MIS for decision-making and progress tracking.
- Facilitate the presentation of information in **clear and visually engaging formats** (e.g., dashboards, charts, and graphs) to support rapid decision-making and provide snapshot views of BDS progress.

The Consultant will work with Gargaara's IT team to define a **standardized coding and nomenclature system** for categorizing MSMEs, ensuring ease of data retrieval and tracking. The MIS should be capable of capturing and displaying the following (but not limited to) types of information:

1. **Details of MSMEs funded by Gargaara**, including sectoral categorization and classification based on pre-defined coding systems.
2. **Training records** for each MSME, including dates, topics, and participation data.
3. **Training reports and Training modules** submitted by BDS service providers.
4. **BDS assessment reports**, both individual and aggregated by sector or region.
5. **BDS monitoring and evaluation (M&E) reports**.
6. Activities and progress updates from **Trade Associations and Umbrella Organizations**.
7. **Documentation of key events**, including photos, summaries, and outcomes.
8. **Annual BDS activity plans** and a calendar of upcoming events.

9. **Independent evaluation reports** relevant to BDS delivery and performance.
10. **Profiles and contact information** of BDS service providers.
11. **PFI-related MSME BDS activities**, including coordination updates.
12. **BDS activities implemented by other donors**, to ensure coordination and avoid duplication.

The Consultant will ensure that the MIS is not only a data repository but also a **dynamic tool** that facilitates effective monitoring, strategic planning, and transparent reporting on MSME support initiatives.

3.1.5 Role of the Client.

Gargaara, as the Client, will be responsible for supervising the Consultant on the tasks outlined in Sections 3.1.1 to 3.1.4 of this document. In addition, Gargaara will undertake the following responsibilities to support effective execution of the assignment:

1. **Review Consultant Reports**
Review all reports submitted by the Consultant in a timely manner and provide constructive feedback or comments as necessary.
2. **Approval of Reports**
Formally approve Consultant reports once they meet the required quality and content standards.
3. **Authorization of Payments**
Authorize monthly payments to the Consultant based on approved deliverables and fulfillment of agreed-upon contractual terms.
4. **Provision of Information and Data**
Provide the Consultant with all relevant and available data, documents, and background information necessary for effective implementation of the assignment.
5. **Stakeholder Facilitation and Coordination**
Support the Consultant by facilitating introductions and engagement with key stakeholders. Where appropriate, coordinate with entities involved in the program, including:
 - a. Participating Financial Institutions (PFIs)
 - b. MSMEs
 - c. Development partners (e.g., KfW and the World Bank)
 - d. Government officials
 - e. Other relevant actors
6. **Office Space**
Allocate suitable working space for the Consultant within Gargaara's offices for the duration of the assignment.
7. **Field Travel and Logistical Support**
Facilitate necessary travel and field arrangements for the Consultant, including:
 - a. Field accommodation and subsistence allowances
 - b. Meeting and workshop coordination
 - c. Logistical support as required for field missions

4. Duration, Location and Timeframe

- **Start and End Date:** The assignment will commence upon contract signature and will continue for the duration of 12 months. The duration of contract may be extended as the client may decide and conditional on satisfactory performance by the Consultant.
- **Timeframes for Deliverables:** The timeline for each deliverable will be defined by the Client. Further guidelines are provided in Section 5 below.
- **Location of services:** The services shall be performed in Gargaara offices in Mogadishu with frequent missions to the field as the assignment demands.

5. Expected Deliverables and Outputs

Table 1. List of Deliverables:

S. No	Stage	Deliverable	Timeline (calendar days)	Remarks
1	Throughout the services	Monthly progress reports	5 th day of the month . Two weeks after commencement of services, the consultant shall present an overall schedule of foreseen deliverables with delivery timelines as per this ToR for review by Gargaara.	Progress report- Short report detailing planned activities for the month, progress made and outlook for the following month against the ToR activities. List of challenges and proposed mitigation measures, conclusions and recommendations.
2	Other deliverables and reports as per this ToR	Comments to various BDS service providers and Women mentors deliverables	5 days after submission by service providers	
		Evaluation reports	Whenever due as per Consultant approved plan	

		Technical evaluation reports	Whenever due as per approved plan	
		Capacity Building Plans	Whenever due as per approved plan	
		Institutional/Organisation Capacity assessment tools and report	Whenever due as per approved plan	
		Minutes of meetings and action points	Whenever due as per approved plan	
		Workshop or events reports	Whenever due as per approved plan	
		Any other deliverable mentioned in this ToR	Whenever due as per approved plan	

• **Format and Quality Requirements:** The consultant shall propose the format for each deliverable. The Client will review the proposed formats and provide approval after addressing any comments (if applicable).

• **Acceptance Criteria:** The Client will appoint a focal person to coordinate the review of each deliverable. The focal person will establish the criteria for reviewing the deliverables, in accordance with the requirements of these Terms of Reference and other professionally accepted standards. The focal person will recommend on the acceptance of the deliverables or provide review comments, which will be forwarded to the Consultant in accordance with the contract conditions.

6. Expertise and Qualifications

The required profiles of the candidate is mentioned in the table below

Table 3- Profile of proposed experts (Women)

S. No	Candidate title	Education Qualification	General Experience	Specific Professional Experience
1	Business Development Officer	Master's Degree in Business Administration or equivalent	At least 15 year professional experience in business development services	-Experience in leadership or management position of at least 1 MSMEs business development project of duration at least 1 year in Sub-Saharan African Countries preferably in Somalia or the Horn of Africa

				<p>- Strong interpersonal, reporting and communication skills preferred</p> <p>- Demonstrated experience in coordination of business associations and /or umbrella associations an added advantage</p> <p>- Experience working with Banks, Microfinance institutions or participating financial institutions an advantage</p> <p>-Demonstrated experience in supervision, detailed reviews of service deliverables, monitoring and evaluation of BDS providers an added advantage.</p> <p>-Demonstrated experience in knowledge management (MIS) of BDS services in an apex financial institution an added advantage</p> <p>-Good working knowledge of English and Somali languages</p> <p>-Demonstrated experience in conducting Institutional Assessments (or Organisation Capacity Assessments) of Trade Associations and/or Umbrella Organisations</p> <p>-Demonstrated experience in preparation of capacity building plans for MSMEs associations an added advantage.</p>
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7. Service Performance Monitoring and Evaluation

- **Performance Indicators:**

The Client will monitor the quality, completeness and timeliness of deliverables by the consultant as a measure of success.

- **Performance Evaluation Methodology:**

The Client will evaluate the performance of the Consultant based on the Terms of Reference (ToR).

8. Contractual and Legal Terms

Payment Terms: Payments will be made in equal monthly payments following review and approval of each monthly progress report.

Liabilities and Penalties: The Consultant is required to ensure that reports are submitted on time, as per the Terms of Reference (ToR). Failure to adequately address comments will result in delayed payments to the Consultant. Therefore, the Consultant must ensure that comments are addressed promptly and to the satisfaction of the Client.

- **Confidentiality:** All reports produced under this assignment shall remain the property of the Client. The Consultant is required to maintain confidentiality in all its dealings. For further details, please refer to the confidentiality clause in the conditions of the contract.
- **Dispute Resolution:** For dispute resolution mechanisms, please refer to the conditions of the contract.

9. Budget and Cost Estimates

- **Cost Structure:** For activities requiring client facilitations, the Consultant must provide a clear breakdown of costs associated including travel, accommodation, and other reimbursable expenses. A detailed budget for each activity, including enumerator costs, travel, workshops, and other reimbursable expenses, shall be submitted at the beginning of each activity. The budget will be reviewed and approved by the Client. During the review, the Client may request adjustments to ensure the budget aligns with available resources.
- **Invoicing Process:** The Consultant shall submit an invoice with the monthly progress report. Upon review and approval, the Client will release monthly payments to the Consultant's designated account within a period not exceeding 30 days after approval.

10. Compliance with KfW Procurement Guidelines

- **Adherence to KfW Guidelines:** The procurement of goods and services by Gargaara for eligible expenditure will be carried out in accordance with KfW's Procurement Regulations: Goods, Works, Non-Consulting Services and Consulting Services, dated July 1, 2016 (revised November 2017, August 2018 and November 2020); Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development (IBRD) Loans and IDA Credits and Grants (revised as of July 1, 2016);
- **Conflict of Interest:** The Consultant shall ensure no conflict of interest in all its dealing during the provision of services.

11. Risk Management and Safeguards

- **Risk Assessment:** The following table lists some potential risks and their mitigation measures. The consultant in his/her monthly reports shall be expected to expound more on other risks and challenges perceived and proposed mitigation measures

Table 4- Risks and proposed mitigations

S. No	Risk	Proposed Mitigation
1.	Security risks prevent smooth operations particularly in the field	Adhere to sound security management plan by Client at all times.
2	Language barriers prevent smooth activities	Use Somali language when opportune
3.	MSMEs not keen on BDS services hence reception and demand for the services is low	Ensure thorough assessment to tackle the real identified needs. Raise awareness of the services during interactions with Associations and umbrella bodies
4	Political and cultural barriers prevent smooth activities especially in the field	Use local networks as much as possible to understand local social , cultural and political dynamics Work closely with Gargaara and government for alerts on potential tensions and preventive measures. Ensure sensitivity to local cultural norms when designing the BDS program
5	The large geographic spread of services hinders smooth activities in the field and make the services costly.	Clustering and bundling of similar coordination fora in centralised locations or premises. Consider use of enumerators for assessments.

- **Environmental and Social Safeguard Measures:**

The Consultant shall be guided and ensure adherence to the Gargaara Environmental and Social Management Framework (ESMF). ILO principles shall be observed on labour matters. Please refer to the annex on the program ESMF for further guidance in this regard.

12 Communication and visibility- BMZ/KfW and Gargaara visibility

The Consultant shall at all times ensure the BMZ and KfW visibility is showcased in all its work, reports, workshops and events. All documents shall have BMZ /KfW and Gargaara logo clearly shown. The consultant shall also ensure that clear banners with logos are placed in workshops, training and meeting halls. The consultant should always consult the Client visibility department and personell to align on maximizing the visibility and communication aspects of the project.

13 Flexibility and Amendments

Changes to the ToR: In their application, the Consultant shall provide their comments to the terms of reference. The terms of reference shall guide the contract alongside other conditions of contract and shall remain unchanged unless through an amendment to the contract following a discussion between the Consultant and the Client. Gargaara may increase the scope of services through an addendum to the contract.

14. Annexes

14.1 Gargaara ESMF for Support to Somali MSMEs Program



Gargaara ESMF_v3
2025_Final_Clean ve