

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

German Financial Cooperation with the Federal Republic of Somalia

Position Title	Business Development Support Mentors
Position type	Individual Consultant
No of Lots	<p>3</p> <p>Lot 1- Banadir Region</p> <p>Lot 2- Greater Southern Somalia Region (Puntland,Hirshabelle, Jubaland, Galmudug, South West, SSC Khatumo)</p> <p>Lot 3- Somaliland Region</p> <p>A consultant can apply for any lot but each lot will be awarded to a different individual consultant</p>
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	Equal Monthly Payments

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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
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 Women and Youth Led MSMEs

As at the end of quarter 3 of 2024, a total **820** women- led **MSMEs** in different productive sectors have been advanced loans by PFIs with WB and KfW funds. The data for the youth led MSMEs is not readily available. The women led MSMEs who received loans constitute 42.6% of the total number of recipient of loans. However, despite this number being sizeable compared to the overall number, the funds advanced to these women- led MSMEs constituted 8% of the total loan portfolio. This implies that although many women led MSMEs received the loans, they were advanced small amounts. There is therefore room for growth in the loan portfolio for this group. The mentorship program is meant to address the inherent challenges affecting these women-led and youth-led MSMEs.

2. Objective and Scope of the Assignment

2.1 Objective

The objective of this assignment is to enhance the operations and profitability of women-led and youth-led MSMEs that have either received or are currently receiving loans from the Gargaara Participating Financial Institutions (PFIs) through the KfW-funded support to Somali MSMEs program and the World Bank-funded SCALE-UP program. The key objectives of the assignment are as follows:

1. Mentor Women and Youth- led MSME to grow in operations and profitability thus improving their capacity to repay and secure larger loans.
2. Mentor Women led and youth led MSMEs on efficient cash flow management to reduce the risks of default
3. Mentor the MSMEs on basic financial literacy and financial record keeping.

4. Guide and mentor the MSMEs on formalisation of their business operations, including adherence to statutory, regulatory, legal and industry standards and requirements.
5. Guide and mentor the MSMEs in understanding and compliance with Gargaara Environmental and Social Safeguard requirements.
6. Hand-hold and mentor the MSMEs in the loan application processes.
7. Mentor the MSMEs in understanding their production/service workflows and where needful, guide them to streamline them to increase operational efficiency.

2.2 Scope of services

The assignment will consist of the following four stages:

1. **Assessment of BDS and mentorship needs:** Assess the Women and Youth-led MSMEs and preparation of an assessment report
2. **Designing or adoption of BDS mentorship Program(s):** Based on the assessment conducted in stage 1 above and its approval, design or review and adopt a mentorship program.
3. **Implementation of BDS mentorship Program:** Implement the mentorship program as shall be agreed with Gargaara team.
4. **Monitoring and Evaluation (M&E) and follow ups:** Carry out monitoring and evaluation activities and follow ups as outlined in the M&E framework developed in Stage 2, or otherwise as agreed with Gargaara.

3. Specific Tasks and Responsibilities

3.1 Detailed Description of Tasks:

3.1.1 Assessment of the BDS needs of the Women and Youth led MSMEs

The consultant will undertake the following tasks:

1. **Prepare MSME List:** In consultation with Gargaara teams and PFIs, prepare a list of Women and Youth-led MSMEs to be assessed from the pool of the MSMEs that have received loans-WB and KfW funded.
2. **Liaise and Categorize MSMEs:** Coordinate with Gargaara and the PFIs to categorize the listed MSMEs based on the following criteria:
 - Source of loan funds (KfW or WB)
 - Number of employees (≤ 2 , 3-5, 6-10, 11-20, 21-50, >50)
 - Loan size in USD (1-1000, 1001-5000, 5001-50,000, 50,001-100,000, 100,001-1,000,000, >1 million)
 - Geographical location (Banadir(Lot 1) , Puntland, Hirshabelle, Jubaland, Galmudug, South West, SSC Khatumo (lot 2) Somaliland (Lot 3),)
 - Urban or rural MSME
 - Type of loan (Term loan or overdraft)
 - Loan maturity (1-12 months, 13-24 months, >24 months)
 - Loan status (Active, Outstanding [in default], or Repaid)

- Sector
3. **Prepare Assessment Tools:** Develop assessment tools (e.g., questionnaires, Key Informant Interviews [KIIs], Focus Group Discussions, observation tools) tailored to the various MSME categories. The consultant will leverage their experience and data provided to design appropriate tools and methodologies. The assessment will cover, but is not limited to, the following areas:
 - Production and workflow
 - Marketing strategies and planning
 - Processing
 - Financial management (accounting, costing, internal controls, analysis)
 - Business plan preparation
 - Strategic planning and management skills
 - Sourcing of inputs and raw materials
 - Preparation of bankable proposals for banks
 - Packaging and labeling
 - Certification and quality control
 - Compliance with regulatory obligations
 - Environmental and social safeguards awareness
 - Basic financial and business literacy
 - Digital migration and Technology use
 4. **Prepare Assessment Implementation Plan:** Develop a clear implementation plan with timelines and methods for each assessment task. Given that the needs of each MSME will vary, the consultant will conduct either on-site visits or online sessions to assess each MSME, ensuring accurate documentation of all meetings.
 5. **Prepare Resource Utilization Plan:** Prepare a detailed resource utilization plan and budget for the assignment including enumerators costs, materials, and logistics.
 6. **Submit Report:** Submit a short report, covering tasks 2 to 5 above, to Gargaara for approval.
 7. **Field Assessment:** Upon approval of the report, proceed with recruitment and training of enumerators and conducting the field assessment as per the approved plan.
 8. **Draft Assessment Report:** Prepare a draft assessment report and submit it to the Gargaara for feedback.
 9. **Finalize Assessment Report:** Address any client comments on the draft report and submit the final assessment report for approval.

3.1.2 Design of BDS mentorship program for the selected MSMEs

The following tasks will be carried out following approval of the assessment report and commencement of the BDS program design:

1. **Inception Report:** Prepare a brief inception report, including activity plans, resource mobilization, and a budget for activities 2 to 7 below. The Client will review and approve the report before the initiation of the activities.
2. **Mentorship Implementation Plan:** Prepare and submit the BDS mentorship implementation plan, outlining a detailed mentorship and coaching methodology to address all identified needs.

3. **Coaching and mentorship modules:** Develop and submit coaching modules based on the mentorship program designs. The service provider will group the coaching sessions where necessary and provide explanations for each coaching cluster.
4. **Resource Allocation Plan:** Prepare a resource allocation plan, including a mentorship implementation budget that covers logistics (transport, venue, materials, etc.), and other necessary resources.
5. **Monitoring and Evaluation (M&E) Plan:** Develop a monitoring and evaluation plan and translate this into a results framework or logical framework. Clear outcomes, outputs, activities with respective indicators shall be presented.
6. **Compliance Report:** Prepare a report on the compliance of each selected MSME with Gargaara Environmental and Social, Health Safeguards.
7. **Cross-Cutting Issues Report:** Prepare and submit a report addressing cross-cutting issues, including gender inclusivity, youth empowerment, sustainability, climate change, and conflict sensitivity for each selected MSME.
8. **Review existing mentorship Program:** Design or review existing mentorship programs and submit a mentorship program for the Women-led and Youth-led MSMEs, including appropriate methodologies for implementation.
9. **Client Review:** The Client will review the documents produced in steps 2 to 8 above and provide comments as necessary.
10. **Final Report Submission:** The Consultant will address any comments from the Client and submit the final report for approval.

3.1.3 Implementation of the BDS program

Following approval of the BDS mentorship design outlined in Section 3.1.2 above, the Consultant will proceed with the implementation of the plan. Each activity conducted will be documented, with photographs taken, and reported accordingly. Coaching and mentorship sessions will be conducted in the manner and at the venues agreed upon during the design stage. Practical mentorship and coaching sessions should preferably be conducted at the MSMEs or at umbrella association premises either individually or through clustered approach. Once all activities are completed as planned—or in batches as agreed with the Client—the consultant will compile and submit a draft report. The consultant will address any comments on the draft BDS mentorship implementation report and submit the final version for Client approval.

The consultant shall make efforts to be as practical as much as possible in the mentorship activities, hand-holding the MSMEs through the various operational, financial and management challenges they encounter day to day in their business operations. The areas of focus shall be guided by the outcome of the assessments and individual consultations with the MSMEs including other emerging and evolving challenges. The list below provides potential focus areas subject to outcome of assessments

- Mentor in refining business model
- Mentor in creation of short, medium and long term growth strategies
- Mentor in identification of new markets and product opportunities
- Mentor on product pricing, cash-flow management and budgeting
- Mentor on funding options like loans, investors and grants.
- Mentor on preparation for financial audits and compliance
- Mentor on branding, customer acquisition and digital marketing

- Mentor on increasing sales and customer retention
- Mentor on creation of distribution channels and /or partners
- Mentor and coach on tools and methods to streamline operations
- Mentor on automation for small business and productivity systems
- Mentor on sourcing and supply chains
- Coach and mentor in understanding local laws, licences and industry regulations
- Mentor and coach on business registration and tax related issues
- Mentor on identification of capacity gaps and skills gaps and recommend training programs
- Coach, mentor and provide emotional support and motivation during business challenging times
- Provide avenues for generation of new ideas and decision making processes
- Mentor on leadership, hiring and team development and motivation
- Assist and mentor on networking including linkages with relevant business networks, suppliers and customers
- Mentor on building of strategic partnerships for scaling
- Mentor on basic financial and business literacy
- Mentor on digital migration and technology use
- Coach, mentor and hand-hold in loan application process
- Coach and mentor on adherence to Gargaara environmental, health and social safeguards
- Any other relevant topic based on assessments done

3.1.4 Carry out monitoring and evaluation activities as per the M&E framework developed in stage 2 as shall be agreed with the Client.

Upon completion of the BDS mentorship program implementation phase and approval of the implementation report, the consultant will embark on follow-ups, monitoring and evaluation (M&E) activities.

The Consultant will regularly track the indicators defined in the M&E framework (e.g., monthly) and submit reports for each MSME that received BDS mentorship support. These reports will be concise and include both qualitative and quantitative indicators. The Client will review the reports and provide comments for any necessary revisions. The consultant will address the comments and submit the final draft reports for Client approval. Follow up mentorship activities shall be proposed in the reports and planned for implementation by the Consultant.

3.1.5 Role of the Client.

Gargaara the Client will perform client tasks mentioned in section 3.1.1 to 3.1.4 above including:

1. Review reports submitted by the consultant and provide comments as necessary.
2. Approve the consultant reports.
3. Authorize payments to the consultant on a monthly basis

4. Provide the consultant with available information and data throughout the contract's implementation.
5. Assist the consultant by facilitating connections to relevant stakeholders, ensuring smooth execution of the work. Where appropriate, coordinate with stakeholders involved in the program, such as PFIs, MSMEs, KfW, the World Bank, government officials, and others.
6. Allocate the Consultant with suitable working space in Gargaara offices.
7. Facilitate field travel arrangements and other requirements during field missions such as field accommodation, subsistence allowances, meetings and workshops etc.

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	Short report detailing planned activities for the month, progress made and outlook for the following month. List of challenges and proposed mitigation measures, conclusions and recommendations.
1	MSMEs Assessment	Draft Inception report	30 days after contract start	

		Draft Assessment report	60 days after approval of the Inception report	
2	BDS mentorship Design	Draft Inception report	15 days after approval of assessment report	
		Draft BDS Mentorship Plan	60 days after approval of inception report	
		Draft Coaching Modules	60 days after approval of inception report	
		Draft BDS mentorship resource allocation plan	60 days after approval of inception report	
		Draft M&E plan and logframe	60 days after approval of inception report	
		Gargaara E&S Compliance Report	60 days after approval of inception report	
		Draft Crosscutting issues report	60 days after approval of inception report	
		Draft mentorship program	60 days after approval of inception report	
3	BDS mentorship Implementation	Draft Implementation Report	90 days after approval of BDS mentorship design reports	
4	BDS Monitoring and Evaluation, follow ups	M&E reports	Monthly after approval of the BDS mentorship implementation report upto end of contract	

- **Format and Quality Requirements:** The consultant shall propose the format for each deliverable and include it in the inception reports. 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 candidates is mentioned in the table below

Table 3- Profile of proposed experts (Women)

S. No	Lot No	Candidate title	Education Qualification	General Experience	Specific Professional Experience
1	Lot 1 (Banadir Region)	Bussiness Development Mentor	Master's Degree in Bussiness Administration or equivalent	At least 8 year professional experience in business development services	-Experience in at least 1 MSMEs business development project in Sub-saharan African Countries preferably in Somalia or the Horn of Africa - Strong interpersonal, reporting and communication skills preferred - Experience in business mentorship and coaching preferred - Experience in running a business an

					<p>added advantage</p> <p>-Experience in MSMEs BDS assessments and design</p> <p>-Experience in MSMEs BDS monitoring and evaluation preferred</p> <p>-Good working knowledge of English and Somali languages</p>
2	Lot 2 (Greater Southern Somalia Region)	Bussiness Development Mentor	Master's Degree in Bussiness Administration or equivalent	Atleast 8 year professional experience in business development services as well as business mentorship and coaching roles	<p>-Experience in at least 1 MSMEs business development project in Sub-saharan African Countries preferably in Somalia or the Horn of Africa</p> <p>- Strong interpersonal, reporting and communication skills preferred</p> <p>- Experience in business mentorship and coaching preferred</p> <p>- Experience in running a business an added advantage</p>

					-Experience in MSMEs BDS assessments and design -Experience in MSMEs BDS monitoring and evaluation preferred -Good working knowledge of English and Somali languages
3	Lot 3 (Somaliland Region)	Bussiness Development Mentor	Master's Degree in Bussiness Administration or equivalent	Atleast 8 year professional experience in business development services as well as business mentorship and coaching roles	-Experience in at least 1 MSMEs business development project in Sub-saharan African Countries preferably in Somalia or the Horn of Africa - Strong interpersonal, reporting and communication skills preferred - Experience in business mentorship and coaching preferred - Experience in running a business an added advantage -Experience in MSMEs BDS

					assessments and design -Experience in MSMEs BDS monitoring and evaluation preferred -Good working knowledge of English and Somali languages
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7. Service Performance Monitoring and Evaluation

- **Performance Indicators:**

The Client will monitor the quality and timeliness of deliverables as a measure of success. The indicators established during the BDS mentorship design phase will be used to track the effectiveness of the implemented trainings and other BDS services. Monitoring and evaluation during the contract implementation will be carried out by the Consultant under the supervision of the Client. Post-contract monitoring and evaluation will be handled by the Client.

- **Performance Evaluation Methodology:**

The Client will evaluate the performance of the Consultant based on the Terms of Reference (ToR). The quality of the coaching and mentorship will be assessed based on the modules developed, their relevance to the intended recipients, and the practical application of the coaching and mentorship content by the mentees. If necessary, the Client may conduct an independent evaluation targeting the mentee MSMEs to assess the effectiveness and appropriateness of the mentorship. The outcomes of such evaluations will be discussed with the Consultant to derive lessons learned and identify areas for future improvements.

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:** The Consultant must provide a clear breakdown of costs associated with the contract, 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 before services can proceed. 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 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 mentorship services hence reception and demand for the program is low	Ensure thorough assessment to tackle the real identified needs. Raise awareness of the services during interactions with MSMEs. Make use of trade and umbrella associations to raise demand for services
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 mentorship activities in centralised locations or premises. Consider recruiting sufficient 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 annexes 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, events, and mentorship and coaching sessions. 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 and training 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
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