

TERMS OF REFERENCE

“DIGITALIZATION FOR INTERNATIONAL TRADE AND VALUE CHAIN INTEGRATION CHALLENGE”

REGIONAL

RG-T3817

ATN/OC-18560-RG

<https://convergence.iadb.org/Operation/RG-T3817>

GROWING TOGETHER IN THE AMERICAS REGIONAL PROGRAM

1. Background and Justification

- 1.1.** The Integration and Trade Sector (INT) is in charge of implementing a gender policy in trade matters, which is focused on: i) promoting the participation of small and medium-sized enterprises led by women in foreign trade and in value chains, and ii) in supporting the countries of Latin America and the Caribbean (LAC) to develop inclusive public policies in trade matters.
- 1.2.** To strengthen the implementation of this gender and trade policy, INT launched ConnectAmericas for Women in May 2016, a completely free online business platform that seeks to connect women entrepreneurs with real business opportunities and offer them innovative tools to improve the management and internationalization of their companies. Within the framework of this platform and with the aim of continuing to create more and better opportunities for women entrepreneurs, the IDB launched the “# 100kChallenge” campaign in April 2018 to train, connect and certify more than 100,000 women entrepreneurs in LAC. To strengthen the ConnectAmericas for Women platform and innovate under the new realities faced by LAC in the context of the pandemic caused by COVID-19, INT/TIN will launch the Women Growing Together in the Americas Program in 2021.
- 1.3.** The pandemic caused by the COVID-19 virus has had a devastating socio-economic impact on the region. During 2020, LAC had an estimated 8% contraction in its Gross Domestic Product (GDP) and more jobs have been destroyed than in any previous crisis the region experienced. The economic repercussions of the health crisis and the lockdowns have significantly affected the commercial operations of micro, small and medium sized enterprises (MSMEs) in LAC, which represent slightly more than 60% of formal employment. This economic impact is disproportionately suffered by women-led or women-owned MSMEs, most of which operate in some of the sectors hardest hit by lockdown measures such as tourism, retail trade and entertainment. The pandemic has also deepened several of the challenges that these companies were already experiencing, such as: (i) limited participation in foreign trade activities and in value chains; (ii) low use and adoption of information and communication technologies (ICT); and (iii) limited access to financing. Thus, in LAC, MSMEs led or owned by women are 11% more likely to close due to the pandemic than those run by men.
- 1.4.** A recent survey conducted by the IDB through ConnectAmericas to more than 1,000 MSMEs, shows that 61% of women entrepreneurs do not have the knowledge to implement a digital transformation of their businesses. However, 67% of the surveyed businesswomen had to

implement some type of technological tool to maintain the operation of their company, most of them related to remote work tools and online sales. In fact, a recent study by the IDB's Social Sector states that, although LAC has some positive indicators compared to other regions of the world in terms of gender gaps in terms of ICT access and use, there are “important differences between countries” and indicators where men outperform women in different skills related to the access and use of technologies.

- 1.5. This is how, the IDB through ConnectAmericas, developed the idea of a regional program for the integration of women entrepreneurs in Global Value Chains (GVC). The program will provide specialized technical assistance to women led MSMEs, to develop skills to facilitate their participation in regional and GVC, to create plans to improve technology and processes for the digital transformation and to improve the financial structure of their businesses to enhance access to financing.
- 1.6. The program is composed by three key pillars: (i) Participation in Value Chains, (ii) Digitalization for international trade and value chain integration, and (iii) Access to finance. The first pillar to be implemented is the digitalization component, which will be referred to as “Challenge”. The technical assistance provided to MSMEs in each challenge will have different levels of depth according to the needs of women entrepreneurs, hence the need to define the selection criteria, mechanisms, and methodology to assess the business’s needs.
- 1.7. The challenge should be executed in phases, following a funnel-type approach in which more businesses participate in the initial phase and are subject of a selection process to reach a more in-depth technical assistance in the subsequent phases.
- 1.8. The IDB has worked on building public-private partnerships with organizations interested in contributing to the objective of the program and it is in the interest of the IDB to align these contributions to enrich the program and the services offered to the participants. Furthermore, for the IDB is constantly seeking to offer the members of the ConnectAmericas for Women network tools and content to improve their management and entrepreneurial skills.
- 1.9. In this context, it is essential to hire an experienced firm that has the technical expertise to strengthen MSMEs led or owned by women as engines of economic reactivation (post-COVID-19) and job generators in the region. To accomplish this, the firm will assist the IDB in the design and implementation of the technical assistance for the “Digitalization for international trade and value chain integration challenge” that will be conducted from September 2021 to September 2022.

2. Objectives

- 2.1. The main objective on this consultancy is to design the methodology, implementation model, and the delivery of technical assistance to the selected women owned/led MSMEs for the “Digitalization for international trade and value chain integration challenge” within the Women Growing Together in the Americas program. The consultancy firm (CF) will assist the IDB in the main aspects of the design of the challenge’s phases and will also conduct the implementation.
- 2.2. The specific objectives of this consultancy are:

- (i) Define and assess the methodology for the challenge's phases and technical assistance services that will be provided to MSMEs led or owned by women in LAC region to promote their digital transformation.
- (ii) Propose criteria for filtering the MSMEs that will receive the different levels of technical assistance and define the strategy to make the most effective use of resources to reach as many beneficiaries as possible.
- (iii) Facilitate the methodological alignment of the strategic partners' contributions to the program.
- (iv) Provide technical assistance to the selected companies according to the methodology defined.
- (v) Propose and put in place a sustainability scheme to expand the scope of the program beyond the women-led businesses selected and into the ConnectAmericas for Women network.

2.3. The "Digitalization for international trade and value chain integration challenge" aims to:

- Provide different levels of technical assistance to women led MSMEs in LAC to promote a digital transformation of their businesses and contribute to their internationalization and participation in value chains.
- Provide technical assistance in different topics which may include, but are not limited to the following services and areas:
 - Identification, technification and optimization of business processes.
 - Identification of technical solutions needs in areas such as: financial resources management, client relationship management, logistics systems, e-commerce and digital marketing, among others.
 - Strategies to manage organizational transformation.
 - Implementation of sustainable plans for digital transformation.
 - Technical solutions to contribute to business internationalization and participation in value chains.
- Provide 1 on 1 technical assistance to at least a portion of the women led MSMEs selected to participate in the challenge. This 1 on 1 technical assistance should be hour intensive during at least 2 months and should comply with improvement indicators defined during the methodology assessment.
- Provide through the strategic partners and with the support of the participants of the program, services and/or contents for the members of the ConnectAmericas for Women network based on the lessons learned and main outcomes of the challenge implementation.

3. Scope of Services

The CF should assemble a multidisciplinary and experienced team to comply with the following:

- 3.1 Selection criteria:** the CF should analyze existing programs and build upon their experience mentoring businesses, to elaborate and validate with the IDB's team, the terms and conditions for the call for applications of the challenge and determine the criteria and tools to select the participants from the pool of women led MSMEs that apply. Following a funnel type approach, the CF will also determine the criteria to select the participants that qualify for the subsequent phases of the program.
- 3.2 Program methodology and implementation model design:** the CF should design the methodology and the implementation model for the "Digitalization for international trade and value chain integration challenge" and determine the scope of the technical assistance that will be provided to MSEs. The challenge should be executed in phases, following a funnel-type approach in which more businesses participate in the initial phase and are subject of a filtering process to reach a more in-depth technical assistance in the subsequent phases.
- 3.3 Monitoring reports:** the CF will coordinate the activities under this consultancy and will report to the IDB to inform the decision-making process throughout the challenge.
- 3.4 Partners and stakeholders:** the CF will build upon their expertise and experience, to align the strategic partners of the program and their financial and in-kind contributions. The CF will develop a workplan that considers every partner and will determine the best way to coordinate efforts following the proposed methodology.
- 3.5 Implementation:** the CF will conduct the implementation of the different phases of the challenge following the methodology designed. The CF should support the filtering process of the women-led MSME's that will participate in the program, provide the services defined for each one of the phases, deliver one-on-one TA to selected women-led MSMEs, evaluate which participants continue for the following phases, coordinate the contributions made by the program's partners during the process and promote an ongoing learning process and document lessons learned. The CF will implement a sustainability plan that includes but is not limited to: generating cooperation models with universities (with related academic programs and internships), adopting train-the-trainer approaches, engaging with local business support organizations, publishing free resources through the ConnectAmericas network, connecting with other firms that offer differential digital products and services, and payment schemes that best fit for MSMEs, among others.

4. Key Activities

The CF should perform the following activities:

4.1. Definition of the profile of women led MSMEs targeted in this challenge.

- Characterization of the scope of the challenge and identification of the desired participant's company profile, including but not limited to industry, participation in value chains, country, years of experience, company size, business performance indicators and motivation, among others.
- Identification of the industries where the program could generate a larger impact and MSMEs are more likely match the selection criteria.

4.2. Definition criteria to select the MSMEs that will participate in the challenge and the criteria to qualify for subsequent phases.

- Elaboration of the terms and conditions for the selection process of the “Digitalization for international trade and value chain integration challenge”.
- Definition of the selection criteria for the participant companies and the criteria to evaluate them to qualify for the subsequent phases following a funnel type approach. The CF should be able to provide services in at least two of the following languages: Spanish, English or Portuguese, and should strive to select MSMEs from a diverse pool of countries in LAC.

4.3. Program’s methodology design and implementation roadmap

- Design of a methodology to execute the “Digitalization for international trade and value chain integration challenge” following a phase structure, that allows: i) motivate and familiarize the challenge’s participants with the topics related to digital transformation; ii) assess the digital readiness of the companies participating in the challenge and implement a tailored technical assistance approach; iii) propose a sustainability scheme for the challenge involving the participants’ commitment to replicate some of the assistance received during the challenge as well as an ongoing learning process of strategic partners interested in collaborating with the IDB in generating a spillover effect in the ConnectAmericas for Women network and other women-led businesses in the region.
- Assist the IDB selecting the tools and technologies that will support the challenge execution to ensure data collection, management and filtering processes, and the challenge’s setup rules.

4.4. Program implementation

The CF will receive the list of applications received since the launching of the event and must conduct the filtering process to identify the group of women-led businesses that will go through the different program phases. The CF will also execute all the activities needed to complete the phases of the program, as previously indicated.

4.5. Support the definition of Key Performance Indicators and success indicators, monitoring reports and compliance of Key Performance Indicators (KPI’s).

- Support the definition of KPI’s for every phase of the project.
- Monitor the established KPI’s
- Present periodic monitoring reports

4.6. Support selection and filtering process

- Support the IDB in the call for applications and filtering process of the MSMEs that will participate in the challenge.
- Define the filtering criteria and the tools to evaluate the applications received.

4.7. Support partners alignment

- The CF will support the IDB aligning the contributions of strategic partners of the program towards the successful completion of the “Digitalization for international trade and value chain integration challenge”. To achieve this, the CF will build a workplan considering every partner’s contribution and participation during every phase of the challenge, including the sustainability scheme. The CF will also determine the best way to coordinate efforts following the proposed methodology.

4.8. Documentation

- Document and keep an online file with evidence throughout the consultancy with evidence of the activities, deliverables, and any other relevant pieces of information in order to facilitate the identification of learned lessons and the replication of best practices in the subsequent challenges of the program.
- Document and include in the file, best practices and lessons learned during the phases of the challenge.
- Document and keep up-to-date reports with evidence of the activities, deliverables, progress, and any other relevant pieces of information in order to facilitate the program monitoring, identification of learned lessons and the replication of best practices in the subsequent challenges of the program.

5. Expected Outcome and Deliverables

The CF will deliver the following products:

5.1. Deliverable 1: a document containing a workplan, detailed scheduled activities and time required to reach the consultancy’s objective. Including all the requirements stated in point 4.

5.2. Deliverable 2: a document containing:

- The profile of women led MSMEs the challenge should target and a description of the rational or evidence used to support the proposal. Including the requirements stated in point 4.1 and 4.2.
- The selection criteria and tools to conduct the filtering process.
- The methodology and the implementation model for the challenge, including the materials and contents required to execute the methodology (e.g., guides, manuals etc.). This must include a description of the number of women led MSME’s that will participate in each phase, the challenge’s activities, the scope of the technical assistance that will be provided, and the Key Performance Indicators and success indicators.

- Workplan to align the strategic partners of the program and a sustainability scheme to guarantee a spillover effect over the ConnectAmericas for Women network members and other women-led businesses in the Latin America and the Caribbean.

5.3. Deliverable 3: a report containing the results of the implementation of the initial activities of the challenge, specifically the list of women led MSME's selected to participate, the level of participation offered to them, any other activities conducted, and the evidence and results of the filtering process for the subsequent challenge phases.

5.4. Deliverable 4: a report containing the results of the implementation of each phase/stage of the challenge. This must include the list of participants that qualified for the technical assistance and their evaluation or diagnostics results and evidence of the services provided to the women led MSME's participating, including the tailored technical assistance offered to them to advance in the digital transformation of their companies and any other activities conducted. This report should evidence the monitoring of KPI's previously defined.

5.5. Deliverable 5: a final report revised and validated by the ConnectAmericas team and the project's documentation file. The report should account for all the consultancy's activities including implementation of the technical assistance, multiplication scheme of the program and the completion of KPI's.

6. Project Schedule and Milestones

Refer to Section 5 under "Expected Outcome and Deliverables" for each of the three deliverables.

Schedule of Deliverables	
Deliverable	Deadline
Deliverable 1	10 days after signing the contract
Deliverable 2	8 weeks after signing the contract
Deliverable 3	3 months after signing the contract
Deliverable 4	9 months after signing the contract
Deliverable 5	11 months after signing the contract

7. Reporting Requirements

7.1. Deliverables should be sent at the specific dates outlined above no later than 18:00 (Washington, D.C time). These should be prepared in English or Spanish (TBD) and delivered in an editable format if not given any other instructions from INT. The selected consulting firm will also organize a meeting to present the findings under each deliverable at date/time to be determined no later than three days before or after the specified deadlines. These meetings will serve as a feedback mechanism so that the firm can adjust the deliverables to be accepted by VPS/INT.

7.2. A weekly meeting will be scheduled by the selected consulting firm and INT to review the progress of this consultancy. The initial dates/times of these meetings will be agreed upon the parties during the consultancy kickoff meeting in January.

8. Acceptance Criteria

- 8.1. The deliverables will be accepted given they meet the quality criteria set during the planification stages of this consultancy.

9. Other Requirements

- 9.1. Access to IDB data, reports, internal documents, etc., or other requests such as arrangement of internal meetings withing IDB will be organized and authorized exclusively by INT.

10. Supervision and Reporting

- 10.1. This consultancy will be under the supervision of July Jimenez (julyj@iadb.org) and Sebastian Gonzalez Saldarriaga (sebastiang@iadb.org), both members of (INT/INT).

11. Schedule of Payments

- 11.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 11.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
Payment 1: Deliverable 1	20%
Payment 2: Deliverable 2	20%
Payment 2: Deliverable 3	20%
Payment 3: Deliverable 4	25%
Payment 3: Deliverable 5	15%