

REQUEST FOR PROPOSALS

Title of Consulting Services:

“Local consultancy service for Basic Study on
Development of Micro, Small, and Medium Enterprise
(MSME) in Arab Republic of Egypt”

Date: 20, January, 2021

Japan International Cooperation Agency (JICA)
Egypt Office

Section 1. Letter of Invitation

Subject: Request for Proposal

Reference Number: JICA (EG) 1-18001

Reference Title: Request for Proposal: Local consultancy service for “Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt”

Date: 20, January 2021


Attention: The persons who may have concern

The Japan International Cooperation Agency (JICA) Egypt Office now invites proposals to provide the following consulting services: Local consultancy service for “Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt”. More details of the services are provided in the Terms of Reference.

The RFP includes the following documents

- Section 1 - Letter of Invitation (LOI)
- Section 2 - Summary Sheet of the Instruction to Consultants
- Section 3 - Instruction to Consultants (ITC)
- Section 4 - Technical Proposal Forms
- Section 5 - Financial Proposal Forms
- Section 6 - Terms of Reference (TOR)
- Section 7 - Standard Form of Contract (SFC) (*Lump-Sum*)

Sincerely,



OMURA Yoshifumi
Chief Representative
JICA Egypt Office



Section 2. Summary Sheet of the Instructions to Consultants

1. Name of the assignment	Local consultancy service for “Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt”
2. Method of selection	QCBS (Quality and Cost Based Selection)
3. JICA’s officer in charge	JICA Egypt Office Address: 6 th floor, World Trade Center, 1191 Corniche El Nil St. Boulak, Cairo, Egypt Telephone: <u>02-25748240</u> Facsimile: <u>02-25748243</u> E-mail: Okawara.Seiya@jica.go.jp Sherif-Omar@jica.go.jp
4. Pre-proposal conference	A pre-proposal conference will be held: No
5. Type of contract	Time-Based
6. Expression of Interest (EOI)	Date: 27, January, 2021 Time: 15:00 Local Time in Egypt
7. EOI submission address	Email to the officer in charge as the above 3. JICA’s officer in charge
8. Deadline of request for clarification	7 calendar days before the Proposals’ submission deadline
9. Proposal submission deadline	Date: 3, February, 2021 Time: 15:00 Local Time in Egypt
10. Proposal submission address	Same as the above 3. JICA’s officer in charge
11. Expected date for the negotiations	10, February 2021
12. Expected date for the commencement of the Services	15, February, 2021

Section 3. Instructions to Consultants

A. General Provisions

- 1. Introduction** 1.1 Consultants are invited to submit a Technical Proposal together with a Financial Proposal for consulting services required for the assignment (hereinafter called the “Proposal”). The Proposal will be the basis for negotiating and ultimately signing the Contract with the selected Consultant.

B. Preparation of Proposals

- 2. General Considerations** In preparing the Proposal, the Consultant is expected to examine the Request for Proposal (hereinafter called the “RFP”) in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.
- 3. Cost of Preparation of Proposal** The Consultant shall bear all costs associated with the preparation and submission of its Proposal and JICA shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process. JICA is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultant.
- 4. Language** The Proposal, as well as all correspondence and documents relating to the Proposal exchanged between the Consultant and JICA, shall be written in English.
- 5. Documents Comprising the Proposal** The Proposal shall comprise the documents and forms listed below;
1st Inner Envelope with the Technical Proposal:
(1) TECH-1
(2) TECH-2
(3) TECH-3
(4) TECH-4
(5) TECH-5
(6) TECH-6
2nd Inner Envelope with the Financial Proposal:
(1) FIN-1
(2) FIN-2
- 6. Only One Proposal** The Consultant (including the individual members of any Joint Venture) shall submit only one Proposal, either in its own name or as part of a Joint Venture in another Proposal.
- 7. Proposal Validity** Proposal must remain valid for 30 calendar days after the Proposal submission deadline.

- 8. Clarification and Amendment of RFP**
- The Consultant may request a clarification of any part of the RFP no later than 7 calendar days before the Proposals' submission deadline. Any request for clarification must be sent in writing, or by standard electronic means, which includes facsimile and email transmissions, to JICA's address indicated in **Section 2. Summary Sheet of the Instruction to Consultants**. JICA will respond in writing, or by standard electronic means, and will send written copies of the response (including an explanation of the query but without identifying its source) to all shortlisted Consultants. Should JICA deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure described below;
- (1) At any time before the proposal submission deadline, JICA may amend the RFP by issuing an amendment in writing or by standard electronic means. The amendment shall be sent to all shortlisted Consultants and will be binding on them. The shortlisted Consultants shall acknowledge receipt of all amendments in writing.
 - (2) If the amendment is substantial, JICA may extend the proposal submission deadline to give the shortlisted Consultants reasonable time to take an amendment into account in their Proposals.
- 9. Technical Proposal Format and Content**
- 9.1 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial details shall be declared non-responsive.
 - 9.2 The Consultant is required to submit a Technical Proposal using the standard forms provided in **Section 4. Technical Proposal Forms**.
- 10. Financial Proposal**
- 10.1 The Financial Proposal shall be prepared using the provided in **Section 5. Financial Proposal Forms**. It shall list all costs associated with the assignment, including (a) remuneration, (b) reimbursable expenses indicated in the Financial Proposal Forms.
 - 10.2 The Consultant is responsible for meeting all tax liabilities arising out of the Contract.
 - 10.3 The Consultant shall express the price for its Services in US dollars

C. Submission, Opening and Evaluation

- 11. Submission, Sealing, and Marking of Proposals**
- 11.1 The Consultant shall submit a signed and complete Proposal comprising the documents and forms in accordance with Clause 5 (Documents Comprising Proposal). The submission can be done by mail or by hand.

- 11.2 Any modifications, revisions, interlineations, erasures, or overwriting shall be valid only if they are signed or initialled by the person signing the Proposal.
- 11.3 The signed Proposal shall be marked “ORIGINAL”, and its copies marked “COPY” as appropriate. The number of copies is as stated below;
- (1) **Technical Proposal:** one (1) original and 2 copies;
- (2) **Financial Proposal:** one (1) original.
- All copies shall be made from the signed original. If there are discrepancies between the original and the copies, the original shall prevail.
- 11.4 The original and all the copies of the Technical Proposal shall be placed inside of a sealed envelope clearly marked “**TECHNICAL PROPOSAL**”, name of the Assignment, name and address of the Consultant, and with a warning “**DO NOT OPEN UNTIL 3, FEBRUARY, 2021**”
- 11.5 Similarly, the original Financial Proposal shall be placed inside of a sealed envelope clearly marked “**FINANCIAL PROPOSAL**” followed by the name of the assignment, name and address of the Consultant, and with a warning “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**”
- 11.6 The sealed envelopes containing the Technical and Financial Proposals shall be placed into one outer envelope and sealed. This outer envelope shall bear the submission address, the name of the assignment, Consultant’s name and the address, and shall be clearly marked “**DO NOT OPEN BEFORE 3, FEBRUARY, 2021**”.
- 11.7 If the envelopes and packages with the Proposal are not sealed and marked as required, JICA will assume no responsibility for the misplacement, loss, or premature opening of the Proposal.
- 11.8 The Proposal must be sent to the address and received by JICA no later than the deadline indicated in **Section 2. Summary Sheet of the Instruction to Consultants**, or any extension to this deadline. Any Proposal received by JICA after the deadline may be declared late and rejected, and promptly returned unopened.

12. Confidentiality

From the time the Proposals are opened to the time the Contract is awarded, the Consultant should not contact JICA on any matter related to its Technical and/or Financial Proposal. Information relating to the evaluation of Proposals and award recommendations shall not be disclosed to the Consultants who submitted the Proposals or to any other party not officially concerned with the process, until the publication of the Contract award information.

13. Proposals Evaluation

- 13.1 The evaluators of the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.

13.2 The Consultant is not permitted to alter or modify its Proposal in any way after the proposal submission deadline. While evaluating the Proposals, JICA will conduct the evaluation solely on the basis of the submitted Technical and Financial Proposals.

14. Evaluation of Technical Proposals

14.1 JICA shall evaluate the Technical Proposals on the basis of their responsiveness to the TOR and the RFP, applying the evaluation criteria, sub-criteria, and point system described below;

I Consultant's general experience and competence in the field covered by the TOR: 25

II Adequacy of the proposed approach, methodology and work plan in responding to the TOR: 35

III Experience and records of the staff members to be assigned to the work: 40

Position 1: Team Leader: 20

Position 2: Sub Leader 1:10

Position 3: Sub Leader 2:10

Total Points for Three Criteria: 100

14.2 Each responsive Proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score required to pass: 70

15. Correction of Errors

Activities and items described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, and no corrections are made to the Financial Proposal.

a. Time-Based Contracts

15.1 If a Time-based Contract form is included in the RFP, JICA will (a) correct any computational or arithmetical errors, and (b) adjust the prices if they fail to reflect all inputs included for the respective activities or items in the Technical Proposal. In case of discrepancy between (i) a partial amount (sub-total) and the total amount, or (ii) between the amount derived by multiplication of unit price with quantity and the total price, or (iii) between words and figures, the former will prevail. In case of discrepancy between the Technical and Financial Proposals in indicating quantities of input, the Technical Proposal prevails and JICA shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity, and correct the total Proposal cost.

b. Lump-Sum Contracts

15.2 If a Lump-sum Contract form is included in the RFP, the Consultant is deemed to have included all prices in the Financial Proposal, so neither arithmetical corrections nor price adjustments shall be made.

16. Taxes

The JICA's evaluation of the Consultant's Financial Proposal shall

include taxes and duties in Egypt.

**17. Combined
Quality and
Cost Evaluation**

(In case of Quality-
and Cost-Based
Selection (QCBS))

17.1 The total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions stated below.

[Financial Score]

The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.

The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:

$Sf = 100 \times Fm / F$, in which “Sf” is the financial score, “Fm” is the lowest price, and “F” the price of the proposal under consideration.

[Combined Score]

The weights given to the Technical (T) and Financial (F) Proposals are:

W1 (T) =80 %, and

W2 (F) =20 %

Proposals are ranked according to their combined technical (St) and financial (Sf) scores using the weights (W1 = the weight given to the Technical Proposal; W2 = the weight given to the Financial Proposal; W1 + W2 = 100(%)) as following:
 $S = St \times T\% + Sf \times F\%$

17.2 The Consultant achieving the highest combined technical and financial score will be invited for negotiations.

D. Negotiations and Award

18. Negotiations

The negotiations will be held shortly after notification to successful/unsuccessful consultant(s) with the successful Consultant’s representative(s).

[Technical negotiations]

18.1 The negotiations include discussions of the Terms of Reference (TOR), the proposed methodology, JICA’s inputs, the Conditions of the Contract, and finalizing the “Description of Services” part of the Contract. These discussions shall not substantially alter the original scope of services under the TOR or the terms of the contract, in order that the quality of the final product, its price, or the relevance of the initial evaluation may not be affected.

[Financial negotiations]

18.2 The financial negotiations will reflect the agreed technical modifications in the cost of the services.

18.3 The financial negotiations will, as necessary, include remuneration rate and quantities of items of reimbursable expenses that may be increased or decreased from the relevant amounts shown in the Financial Proposal but without significant alterations.

19. Conclusion of Negotiations

- 19.1 The negotiations are concluded with a review of the finalized draft Contract, which then shall be initiated by JICA and the Consultant's authorized representative.
- 19.2 If the negotiations fail, JICA shall terminate the negotiations informing the Consultant of the reasons for doing so and will invite the next-ranked Consultant to negotiate a Contract.

20. Award of Contract

- 20.1 After completing the negotiations JICA shall award the Contract to the selected Consultant and promptly notify the other shortlisted Consultants. Technical Proposals of those consultants who were unsuccessful shall be disposed or returned.
- 20.2 The Consultant is expected to commence the assignment on the date specified in **Section 2. Summary Sheet of the Instruction to Consultants.**

Section 4. Technical Proposal Forms

{Notes to Consultant shown in brackets { } throughout Section 4 provide guidance to the Consultant to prepare the Technical Proposal; they should not appear on the Proposals to be submitted.}

Checklist of Required Forms

Form	Description	Page Limit (total)
TECH-1	Technical Proposal Submission Form	N/A
TECH-2	Consultant's Organization and Experience A. Consultant's Organization B. Consultant's Experience	10
TECH-3	Description of the Approach, Methodology, and Work Plan for Performing the Assignment	20
TECH-4	Work Schedule and Planning for Deliverables	N/A
TECH-5	Personnel Schedule	N/A
TECH-6	Curriculum Vitae (CV) for Key Experts	15

Form TECH-1

TECHNICAL PROPOSAL SUBMISSION FORM

{Location, Date}

To: Chief Representative
Japan International Agency (JICA) Egypt Office

Dear Sirs:

We, the undersigned, offer to provide the consulting services for “Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt” in accordance with your Request for Proposals dated 20, January, 2021 and our Proposal, which includes this Technical Proposal and a Financial Proposal, sealed in a separate envelope.

We hereby declare that:

- (a) All the information and statements made in this Proposal are true and we accept that any misinterpretation or misrepresentation contained in this Proposal may lead to our disqualification by JICA.
- (b) Our Proposal shall be valid and remain binding upon us for the period specified in the Instructions to Consultants (ITC).
- (c) Our Proposal is binding upon us and subject to any modifications resulting from the Contract negotiations.

We undertake, if our Proposal is accepted and the Contract is signed, to initiate the Services related to the assignment no later than the expected date for the commencement of the Services indicated in the Summary Sheet of the Instruction to Consultants.

We understand that you are not bound to accept any Proposal that you receive.

We remain,

Yours sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

Contact information (phone and e-mail): _____

Form TECH-2

CONSULTANT'S ORGANIZATION AND EXPERIENCE

{Form TECH-2: a brief description of the Consultant's organization and an outline of the recent experience of the Consultant that is most relevant to the assignment. In the case of a joint venture, information on similar assignments shall be provided for each partner. For each assignment, the outline should indicate the duration of the assignment, the contract amount (total and, if it was done in a form of a joint venture or a sub-consultancy, the amount paid to the Consultant), and the Consultant's role/involvement.}

A - Consultant's Organization

{Provide here a brief description of the background and organization of your company, and - in case of a joint venture - of each member for this assignment, including organizational chart, a list of Board of Directors, and beneficial ownership.}

B - Consultant's Experience

{1. List only previous similar assignments successfully completed in the last [.....] years.}
{2. List only those assignments for which the Consultant was legally contracted by JICA and other similar organizations as a company or was one of the joint venture partners. Assignments completed by the Consultant's individual experts working privately or through other consulting firms cannot be claimed as the relevant experience of the Consultant, or that of the Consultant's partners or sub-consultants, but can be claimed by the experts themselves in their CVs. The Consultant should be prepared to substantiate the claimed experience by presenting copies of relevant documents and references if so requested by JICA.}

Duration	Assignment name & brief description of main deliverables/outputs	Name of Client & Country of Assignment	Approx. Contract value (in US\$ equivalent) / Amount paid to your firm	Role on the Assignment

Form TECH-3

DESCRIPTION OF APPROACH, METHODOLOGY, AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

{Form TECH-3: a description of the approach, methodology, and work plan for performing the assignment}

{Suggested structure of your Technical Proposal}

a) **Technical Approach, Methodology, and Organization of the Consultant's team.**

{Please explain your understanding of the objectives of the assignment as outlined in the Terms of Reference (TOR), the technical approach, and the methodology you would adopt for implementing the tasks to deliver the expected output(s); the degree of detail of such output; and describe the structure and composition of your team. Please do not repeat/copy the TOR in here.}

b) **Work Plan and Staffing.**

{Please outline the plan for the implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by JICA), and tentative delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan and work schedule showing the assigned tasks for each expert. A list of the final documents (including reports) to be delivered as final output(s) should be included here. The work plan should be consistent with the FORM Tech-4 (Work Schedule).}

c) **Comments (on the TOR and on counterpart staff and facilities)**

{Your suggestions should be concise and to the point, and incorporated in your Proposal. Please also include comments, if any, on counterpart staff and facilities to be provided by JICA. For example, administrative support, office space, local transportation, equipment, data, background reports, etc.}

Form TECH-4: WORK SCHEDULE AND PLANNING FOR DELIVERABLES

N°	Activity	Months											
		1	2	3	4	5	6	7	8	9	n	

1. List the deliverables with the breakdown for activities required to produce them and other benchmarks such as JICA’s approvals. For phased assignments, indicate the activities, delivery of reports, and benchmarks separately for each phase.
2. Duration of activities shall be indicated in a form of a bar chart.
3. Include a legend, if necessary, to help read the chart.

Form TECH-5: PERSONNEL SCHEDULE

N°	Name of Expert / Position	Input of the Personnel												Total person-month input
		1	2	3	4	5	6	7	8	9	10	11	12	
EXPERT(S)														
1														
2														
3														
4														
n														
													Sub-Total	
Other Personnel														
1														
2														
n														
													Sub-Total	

1. For experts the input should be indicated individually; for other personnel it should be indicated individually, or, if appropriate, by category (e.g. economists, financial analysts, etc.).
2. Months are counted from the start of the assignment.
 - Full time input
 - Part time input

FORM TECH-6

CURRICULUM VITAE (CV) FOR EXPERTS

Position Title	{e.g., TEAM LEADER}
Name of Expert:	{Insert full name}
Date of Birth:	{day/month/year}
Country of Citizenship / Residence	

Education: {List college/university or other specialized education, giving names of educational institutions, dates attended, degree(s)/diploma(s) obtained}

Employment record relevant to the assignment:

{Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included.}

Period	Employing organization and your title/position. Contact info for references	Country	Summary of activities performed relevant to the Assignment

Membership in Professional Associations and Publications:

Language Skills (indicate only languages in which you can work):

Expert’s contact information: (e-mail, phone)

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience, and I am available to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by JICA.

Name of Expert

Signature

Date {day/month/year}

Name of authorized
Representative of the Consultant
(the same who signs the Proposal)

Signature

Date {day/month/year}

Section 5. Financial Proposal Forms

{*Notes to Consultant* shown in brackets { } provide guidance to the Consultant to prepare the Financial Proposals; they should not appear on the Financial Proposals to be submitted.}

Financial Proposal Forms shall be used for the preparation of the Financial Proposal according to the instructions provided in Section 2 and 3.

FIN-1 Financial Proposal Submission Form

FIN-2 Breakdown of Remuneration, Reimbursable Expenses and Indirect Local Tax Estimates

FORM FIN-1

FINANCIAL PROPOSAL SUBMISSION FORM

{Location, Date}

To: Chief Representative
JICA Egypt Office

Dear Sirs:

We, the undersigned, offer to provide the consulting services for “Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt” in accordance with your Request for Proposal dated, 20th January 2021 and our Technical Proposal.

Our attached Financial Proposal is for the amount of {indicate the corresponding to the amount(s) currency} {Insert amount(s) in words and figures}, including of all indirect local taxes.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal.

We understand that you are not bound to accept any Proposal that you receive.

We remain,

Yours sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

Contact information (phone and e-mail): _____

FORM FIN-2

BREAKDOWN OF REMUNERATION, REIMBURSABLE EXPENSES AND INDIRECT LOCAL TAX ESTIMATES

{When used for Lump-sum Contract assignment, information to be provided in this Form shall only be used, if needed, to establish payments to the Consultant for possible additional services requested by the Client. This form shall not be used as a basis for payments under Lump-sum Contracts.}

TOTAL COSTS OF (1), (2) AND (3) : *{insert: total estimate cost}*

Remuneration					
No.	Name	Position	Person-month Remuneration Rate	Time input in person/month	Cost
	1) Experts				
1					
2					
3					
	2) Other Personnel				
1					
2					
3					
Total of (1)					

Reimbursable Items					
No.	Type of Reimbursable expenses	Unit	Unit Cost	Quantity	Cost
1	{e.g., Per diem allowances}	{Day}			
2	{e.g., national air travel}	{Trip}			
3	{e.g., rent-a-car}	{Day}			
4	{e.g., reproduction of reports}				
5	{e.g., office rent}				
6	{e.g., office supplies}				
7	{e.g., support staff/secretary}				
8	{e.g., seminars/workshops}				
Total of (2)					

Total Costs of (1)+(2)	
-------------------------------	--

Indirect Local Tax Estimates		
1	{insert type of tax. e.g., VAT or sales tax}	
2	{e.g., income tax on non-resident experts}	
3	{insert type of tax}	
4	{insert type of tax}	
Total Estimate for Indirect Local Tax (3)		

Section 6. Terms of Reference (TOR)

TERMS OF REFERENCE FOR LOCAL CONSULTANCY SERVICES FOR "Local consultancy service for "Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt""

INTRODUCTION

The role of SMEs has been proved successful in the development of many economies around the world, In Egypt, the vast majority (90%) of all enterprises are micro businesses, employing 75% of the Egyptian workforce, however their role in the economic development of the country is limited despite the government's increasing attention towards them.

There are several challenges in the MSME sector in Egypt including but not limited to financial accessibility, formalization of informal sector, lack of information for value chain integration and lack of impact documentation, etc. In the past years several laws, regulations and strategies were updated and established to support MSME sector including Egypt's Vision 2030, MTI Strategy, New MSME law, New Central Bank law, Investment law and Micro finance law and regulations of Financial Regulatory Authority, some of which also require executive regulations and alignment with inter-related laws/strategies.

COVID-19 caused a huge negative impact on MSME sector. Considering the devastating effects of the COVID19 outbreak and the intention of the government to help inter alia adversely impacted small enterprises, MSMEDA aligned its efforts with those of the government to support all MSMEs projects, which require support not only in working capital in the short term but also in structural industrial/agricultural development in the mid- and long-term as well as regaining their operation capacity. One of the positive impacts is that COVID-19 helped in accelerating the focus of the MSME sector on digital transformation and E-commerce. In addition to this to enhance the industrial sector's value added, MSMEDA is mandated to work with MTI on localization (deepening the local component in the industry), export promotion, and providing technical support in value chain management and integration, etc.

MSEMDA, as designated responsible entity for MSME development in Egypt is expected to play wider and stronger role in preparing the legislative and regulatory environment among others which may need technical support and institutional capacity building. Also, identifying MSMEDA's priorities and areas in lacking access to finance in this sector besides the needs of banking sector and microfinance institutions as well as identifying the market gaps that needs to be addressed by MSMEDA are required.

Also, there are several market players in this sector providing financial and non-financial services and preparing the legislative and regulatory environment, so it is required to find gaps, priorities and areas for necessary support and potential value added.

In light of the above and in order to consider direction of the possible cooperation by JICA in MSME sector both financial as well as technical support at this timing amid/post COVID-19, JICA decided to initiate a basic study in cooperation with MSMEDA and other concerned authorities. JICA seeks to conduct this study to find opportunities to support this sector with

the aim of promoting competitive industrial development in mid- and long-term including the aspects of job creation, export promotion, import substitution and localization, innovation and industrial value chain, digitalization, and agriculture and rural development, etc. As a result of this study the priority of the potential area of collaboration will be analyzed and identified.

1. SCOPE OF WORKS

1.1 Location: Cairo, All governorates in Egypt

1.2 Project Implementation Period: February 15, 2021 to August 14, 2021

1.3 Work Items:

Expected working days of the staff members for the tasks below is on total 11Man-Month (1MM=20days) during the contract period.

- 1) Basic Information on MSME sector in Egypt
 - a. MSME law, policy/national strategy/program on industrial development, entrepreneurship, and digitalization
 - b. Organization for MSME sector, MSMEDA and other governmental institutions associated to MSME sector (MTI, MCIT, CBE, etc) including MSMEDA's variety of financial channels
 - c. Prioritized industry sectors and government support
 - d. Support by other development partners
- 2) Analysis on MSME Sector's challenges
 - a. Overview of MSME sector in Egypt and COVID-19 impact on the sector
 - b. Review and Analysis of priorities and main and imperative challenges raised by MSMEDA
 - Urgent and mid-term financial need in response to COVID-19
 - Financial accessibility
 - Microfinance (including agriculture sector)
 - Digital transformation (e-commerce, digital marketing)
 - Startup and entrepreneurship promotion (including finance through Venture capitals, policy and regulations to facilitate VCs' activities)
 - Quality and productivity enhancement (KAIZEN), technology improvement, value chain development, localization and export promotion
 - Function of local hub/business support center improvement
- 3) Proposal on possible JICA's cooperation project
 - Scheme, Scope, Target Sectors, Estimated Cost, Schedule, Environmental and social consideration and other necessary items
- 4) Submission of Reports

2. Survey Method

- Reports and materials review
- Interview to MSMEDA and other relevant organizations
- Field Study if possible and necessary, interview to MSMEs

3. Counterpart Ministry/Agencies

- 1) **Micro, Medium, Small Enterprise Development Agency (MSMEDA)**

- 2) Other relevant Ministries such as:
 - Ministry of Trade and Industry, KAIZEN center
 - Ministry of Communication, Information and Technology
 - Ministry of Planning and Administrative Reform
 - Ministry of International Cooperation
- 3) Banking Sector (Central Bank of Egypt, National Banks) and Financial Regulatory Authority
- 4) Venture Capitals and start-up incubators
- 5) Central Agency for Public Mobilization and Statistics (CAPMAS)

4. Team Member

- 1) Team leader: MSME development/Competitiveness Enhancement
- 2) Sub-leader 1: Policy and Law in MSME /Industry Development
- 3) Sub-leader 2: Finance / Financial Access
- 4) Digitalization /Digital Transformation
- 5) Entrepreneurship Promotion
- 6) Technology, Productivity, Quality Enhancement
- 7) Project Operation /Accounting

5. Deliverables

The selected Local Consultant shall prepare the following:

- (a) Inception Report (ICR) by March 14, 2021
- (b) Interim Report (ITR) by May 14, 2021
- (c) Final Study Report expected by August 14, 2021.

6. Consultant Qualifications

The following experiences and expertise will be taken into consideration for the evaluation.

- The consultant company should have at least five (5) years of related studies work in MSME sector
- Team leader should have at least Ten (15) years of related works on MSME development/Competitiveness Enhancement
- Sub team leader should have at least five (8) years of related works on Policy and Law in MSME /Industry Development
- Sub team leader 2 should have at least five (8) years of related works on Policy and Law in Financial Access
- Other supporting staff should have at least three (3) years of related works in each of the following areas Digitalization /Digital Transformation, Entrepreneurship Promotion, Technology, Productivity, Quality Enhancement and Project Operation /Accounting
- Good level of computer literacy, especially in Microsoft Word, Excel and PPT
- Excellent English language and Report Writing skills
- Commitment to quality and high attention to details
- Accountability - takes responsibility for assignments, respect the rules and regulations
- Strong communication skills -listens and interact with people at various levels and different culture and backgrounds, deliver messages clearly
- Management skills -predict and conduct assignments in a timely manner and communicate

for any anticipated risks and issues

- Teamwork -embrace teamwork sprits, consult and report with the team, treat the members and partners equally.

7. Work Schedule (TENTATIVE)

The works shall be conducted according to the schedule presented in following figure.

Table. Work Schedule

month	Feb	Mar	Apr	May	Jun	Jul	Aug
Basic Information on MSME sector in Egypt	←————→						
Analysis on MSME Sector’s challenges	←————→						
Proposal on possible JICA’s cooperation project				←————→			
Monthly Reports Submission		● ICR		● ITR			● FR

8. REPORTING

- The report size should be A4 size, and should be written in English.
- The Consultant should submit Final Report as described in “1.3 Work item” (confidential information should be clarified and well-demarcated in the report)

9. RESPONSIBILITIES

The Consultant should take into consideration the following responsibilities:

- Respect and Follow JICA’s rules, regulations, and compliance based on the contract with JICA
- Consult well with JICA on the service provided with startups to ensure that it will be delivered without any conflict.

10. DUTY OF THE CONSULTANT

The Consultant should not disclose any information, which will be obtained during this contract without the permission of the Client in writing, both during the mentoring and monitoring process and after the termination of the Agreement.

Form of Contract

CONTRACT FOR CONSULTANT'S SERVICES (Time-Based)

Project Name: Local consultancy service for “Basic Study on Development of Micro, Small, and Medium Enterprise (MSME) in Arab Republic of Egypt”

Between

Japan International Cooperation Agency Egypt Office

and

[insert: name of the consultant]

This CONTRACT (hereinafter called the “Contract”) is made the *[insert: number]* day of the month of *[month]*, *[year]*, between, on the one hand, *Japan International Cooperation Agency (JICA) [insert: name of the country] office* (hereinafter called the “Client”) and, on the other hand, *[insert: name of the Consultant]* (hereinafter called the “Consultant”).

WHEREAS

- (a) the Client has requested the Consultant to provide certain consulting services as defined in this Contract (hereinafter called the “Services”);
- (b) the Consultant, having represented to the Client that it has the required professional skills, expertise and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The Conditions of Contract;
 - (b) Appendices:
 - Appendix A: Terms of Reference
 - Appendix B: Remuneration and Reimbursable Expenses
 - Appendix C: List of Experts
 - Appendix D: Technical ProposalsFor the purpose of interpretation, the priority of the listed documents shall be in accordance with the above listed order.
2. The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:
 - (a) The Consultant shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) The Client shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of Japan International Cooperation Agency (JICA) Egypt Office

OMURA Yoshifumi
Chief Representative
Japan International Cooperation Agency (JICA) Egypt Office

For and on behalf of *[insert: name of the Consultant]*

[insert: Authorized Representative of the Consultant – name and signature]

Conditions of Contract

A. General Provisions

- 1. Law Governing Contract** The law that applies to the Contract is the law of Egypt.
- 2. Language** This Contract has been executed in English, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 3. Communications** Any communication required or permitted to be given or made pursuant to this Contract shall be in writing in the language specified in **Clause 2** above. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified as follows;
A Party may change its address for notice hereunder by giving the other Party any communication of such change.
For the Client
Address: 6th floor, World Trade Center, 1191 Corniche El Nil St. Boulak, Cairo, Egypt.
Attention: Mr. Seiya Okawara , Mr. Omar Sherif
Telephone: 02-25748240
Facsimile: 02-25748243
E-mail: Okawara.Seiya@jica.go.jp , Sherif-Omar@jica.go.jp
For the Consultant
Address: _____

Attention: _____
Telephone: _____
Facsimile: _____
E-mail: _____
- 4. Authorized Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Client or the Consultant may be taken or executed by the officials specified as follows;
For the Client: Yoshifumi Omura, Chief Representative, JICA Egypt Office
For the Consultant: [insert: name, title]

B. Modification and Termination of Contract

- 5. Entire Agreement** This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.
- 6. Modifications or Variations** Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.
- 7. Force Majeure** 7.1 For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable, and makes a Party’s performance of its obligations

hereunder impossible or so impractical as reasonably to be considered impossible under the circumstances, and subject to those requirements, includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action, confiscation or any other action by Government agencies.

- 7.2 The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure.
- 7.3 A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- 7.4 A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) calendar days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.
- 7.5 Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- 7.6 During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the Client, shall either:
 - (a) demobilize, in which case the Consultant shall be reimbursed for additional costs they reasonably and necessarily incurred, and, if required by the Client, in reactivating the Services; or
 - (b) continue with the Services to the extent reasonably possible, in which case the Consultant shall continue to be paid under the terms of this Contract and be reimbursed for additional costs reasonably and necessarily incurred.

8. Suspension The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services.

9. Termination This Contract may be terminated by either Party as per provisions set up below:

- 9.1 The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (e) of this Clause. In such an occurrence the Client shall give at least thirty (30) calendar days' written notice of termination to the Consultant:
 - (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder;
 - (b) If the Consultant becomes insolvent or bankrupt;
 - (c) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days;
 - (d) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract;
 - (e) If the Client determines that the Consultant has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract.

- 9.2 The Consultant may terminate this Contract, by not less than thirty (30) calendar days' written notice to the Client, in case of the occurrence of any of the events specified in paragraphs (a) through (b) of this Clause.
- (a) If the Client fails to pay any money due to the Consultant pursuant to this Contract within forty-five (45) calendar days after receiving written notice from the Consultant that such payment is overdue.
 - (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days.
- 9.3 Upon termination of this Contract, the Client shall make the following payments to the Consultant:
- (a) Remuneration for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures for expenditures actually incurred prior to the effective date of termination;
 - (b) If the advance payment had already paid to the Consultant, the amount of the advance payment shall be reduced from the amount defined in paragraph (a) above.
 - (c) In the case of the paragraph (b) above, if there is still a balance of the advance payment, the Consultant shall refund the balance to the Client.

C. Obligations of the Consultant

10. General

10.1 The Consultant shall perform the Services and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods.

10.2 The Expert(s) of the Consultant means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract.

11. Confidentiality Except with the prior written consent of the Client, the Consultant shall not at any time, even after the completion of the Services, communicate to any person or entity any confidential information acquired in the course of the Services.

12. Reporting Obligations The Consultant shall submit to the Client all of the reports and documents ***on or before the [insert date], [insert month], [insert year]*** in the form, in the numbers specified in **Appendix A (Terms of Reference)**. Such reports and documents shall become and remain the property of the Client, including its intellectual property rights, upon delivery thereof.

13. Inspection

13.1 The Client shall inspect the Services (or a part of the Services, in such case), based on the said reports and documents within 5 days after receiving them.

13.2 If the Client cannot approve any part of the Service, the Consultant shall submit such further information and make such change in the said reports and documents as the Client may reasonably require.

- 13.3 Promptly after the approval of the Services (or a part of the Services, in such case) by the Client, the reports and documents said above shall be delivered to the Client.
14. **Liability of the Consultant** The Consultant shall be responsible for, and shall indemnify the Client from and against any and all claims, losses and damages incurred by the Consultant during or in connection with the Services caused by intentional or negligent act of the Consultant.
15. **Additional Work** If additional work is required beyond the scope of the Services specified in **Appendix A**, the estimated time-input for the Experts may be increased by agreement in writing between the Client and the Consultant. In case where payments under this Contract exceed the ceilings set forth in Clause 17, the Parties shall sign a Contract amendment.
16. **No Replacement of Experts** Except as the Client may otherwise agree in writing, no changes shall be made in the Experts.

D. Payment to the Consultant

17. **Ceiling Amount** An estimate of the cost of the Services is set forth in **Appendix B** (Remuneration and Reimbursable Expenses). Payments under this Contract shall not exceed the ceilings specified below.
The ceiling is: *[insert: amount and currency]* *[indicate: inclusive or exclusive]* **of local indirect taxes.**
Any indirect local taxes chargeable in respect of this Contract for the Services provided by the Consultant shall be paid by the Client to the Consultant.
The amount of taxes is *[insert: the amount as finalized at the Contract's negotiations on the basis of the estimates provided by the Consultant in Form FIN-2 of the Consultant's Financial Proposal].*
 For any payments in excess of the ceilings hereof, an amendment to the Contract shall be signed by the Parties referring to the provision of this Contract that evokes such amendment.
18. **Remuneration and Reimbursable Expenses**
- 18.1 The Client shall pay to the Consultant (i) remuneration that shall be determined on the basis of time actually spent by each Expert in the performance of the Services; and (ii) reimbursable expenses that are actually and reasonably incurred by the Consultant in the performance of the Services.
- 18.2 All payments for remuneration shall be at the rates set forth in **Appendix B**. If a part of reimbursable expenses are to be made at agreed rates, such payments shall be at the rate set forth in Appendix B.
- 18.3 The remuneration rates shall cover: (i) such salaries as the Consultant shall have agreed to pay to the Experts as well as factors for social charges and overheads (bonuses or other means of profit-sharing shall not be allowed as an element of overheads), (ii) the

cost of backstopping by home office staff not included in the Experts' list in **Appendix C**, and (iii) the Consultant's profit.

19. Currency of Payment Any payment under this Contract shall be made in EGP or USD
20. Mode of Billing and Payment
- 20.1 Billings and payments in respect of the Services shall be made as follows:
- Partial Payment
The Partial Payment(s) shall be made based on itemized invoices only after each deliverable specified below has been submitted and approved as satisfactory by the Client. The invoice shall show remuneration and reimbursable expenses separately and accompanied with supporting documents or evidences.
- (a) 1st partial payment shall be made for the submission of Inception Report.
- Each Partial payment shall be made based on the submission of respective reports with the remuneration efforts.
- Final Payment
The final payment under this Clause shall be made based on itemized invoices only after the final report has been submitted and approved as satisfactory by the Client. The invoice shall show remuneration and reimbursable expenses separately and accompanied with supporting documents or evidences.
- 20.2 All payments under this Contract shall be made to the accounts of the Consultant specified as follows:
[insert: account].

E. Fairness and Good Faith

21. Good Faith The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

F. Settlement of Disputes

22. Amicable Settlement The Parties shall seek to resolve any dispute amicably by mutual consultation. If either Party may file a written Notice of Dispute to the other Party providing in detail the basis of the dispute. The Party receiving the Notice of Dispute will consider it and respond in writing within fourteen (14) days after receipt. If that Party fails to respond within fourteen (14) days, or the dispute cannot be amicably settled within fourteen (14) days following the response of that Party, Clause 23 shall apply.
23. Dispute Resolution Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably according to the Clause 22 shall be submitted to settlement proceedings under the laws of the Client's country.

Appendices

Appendix A – Terms of Reference

[This Appendix shall include the final Terms of Reference (TORs) worked out by the Client and the Consultant during the negotiations; dates for completion of various tasks; location of performance for different tasks; detailed reporting requirements; Client's input, including counterpart personnel assigned by the Client to work on the Consultant's team; specific tasks that require prior approval by the Client.]

[Insert: the text based on the Section 6 (Terms of Reference) of the ITC in the RFP and modified based on the Forms TECH-1 through TECH-4 in the Consultant's Proposal.]

Appendix B – Remuneration and Reimbursable Expenses

1. Remuneration: Monthly Rates for the Experts:

[Insert: the table with the remuneration rates. The table shall be based on [Form FIN-2] of the Consultant's Proposal and reflect any changes agreed at the Contract negotiations, if any.]

2. Reimbursable Expenses:

[Insert: the table with the reimbursable expenses rates. The table shall be based on [Form FIN-2] of the Consultant's Proposal and reflect any changes agreed at the Contract negotiations, if any.]

All reimbursable expenses shall be reimbursed at actual cost or at the agreed rates, and in no event shall reimbursement be made in excess of the Contract amount.

Appendix C – List of Experts

[Insert: a table based on Form TECH-5 of the Consultant's Technical Proposal and finalized at the Contract's negotiations.]

Appendix D – Technical Proposal

[Attach Technical Proposal submitted by the Consultant.]