

Islamic Republic of Afghanistan
Independence Directorate of Local Governance
Eshteghal Zaiee – Karmondena Project (EZ-Kar)

REQUEST FOR EXPRESSIONS OF INTEREST (REOI)

Only Consulting Firms Will Apply (Not NGO)
(CONSULTING SERVICES – FIRMS SELECTION)

Country: Government of Islamic Republic of Afghanistan

Project Name: Eshteghal Zaiee – Karmondena Project (EZ-Kar)

Project ID No: P166127

Grant No.: TF-A9092/ IDA-D4160

Assignment Title: Hiring of Consultancy Firm for Baseline Assessment of Business Gozar Establishment

Ref. No.: AF-EZ-K_CCNP- IDLG-144481-CS-QCBS

Contract duration: (6 months)

1. Background/ Objective and Scope of the Services

I. Introduction to the IDLG

The Independent Directorate of Local Governance (IDLG) was established for the purpose of strengthening good governance, provision of municipal services, consolidating stability, accountability and transparency at sub-national levels through strong and capable sub-national government administrations. The core mandate of the IDLG includes:

- Improving local governance to ensure access to development, stability and security;
- Providing good governance at the local level to ensure participation of community in local development; and
- Supporting local administration and ensuring public participation in the decision-making process.

The mandate of the IDLG has been divided into 4 core areas:

- Policymaking: developing sub-national governance policy and revision of laws, regulations and bylaws in accordance with this policy for improved governance and service delivery;
- Institutional development: supporting institutions, capacity building and supporting sub- national administrations both local administration and municipalities;
- Inclusive Governance: supporting participation of stakeholders and citizens in the sub-national governance and development processes;
- Supporting: facilitating implementation of national programs through sub-national governance entities.

The IDLG is headed by a General Director, of an equivalent rank as a Minister. He is supported by Directorates of Staff, Information and Public Awareness, Monitoring and Evaluation, and Internal Audit. The IDLG is then divided into the 3 Deputy Ministries: of Municipalities (DMM), Administration and Finance (DAF), and Policy (DMP). The DMM serves as the primary institution to support, strengthen and coordinate the municipalities' affairs at sub-national level. DMM is responsible for implementation of multiple World Bank funded projects, i.e. the urban Citizens' Charter Afghanistan Project (CCAP), the Components Two and Three of the EZ-Kar project, and the Cities Investment Program (CIP).

II. Introduction to EZ-Kar

The **Eshteghal Zaiee – Karmondena Project (EZ-Kar)** was formally signed and agreed upon between the World Bank and the Government of the Islamic Republic of Afghanistan (GoIRA) in February 2019. It is a multi-stakeholder project involving multiple ministries, to respond from immediate short-term to the long-term settlement and economic development of the returnees and their host communities by removing the obstacles for their integration into the economy and urban communities. **The Project Development Objective (PDO) is to strengthen the enabling environment for economic opportunities in cities with a high influx of displaced people.** The project has five components that would be implemented by Implementing Agencies (IAs) as shown below:

- a) Component 1: Regional and National integration of displaced persons by the Ministry of Foreign Affairs (MoFA), primarily issuing passports to Afghan refugees in Pakistan
- b) Component 2: Short term employment opportunities, reforms, market enabling infrastructure, and municipal level regulatory reforms in 12 cities by the Independent Directorate of Local Governance (IDLG),

- c) Component 3: Priority Investments in 4 Provincial Capital Cities by the IDLG,
- d) Component 4: Market enabling infrastructure and regulatory reforms for Kabul city by the Kabul Municipality (KM), and
- e) Component 5: Project coordination, red carpet and national level regulatory reform by the Ministry of Economy (MoEc)

III. Introduction of Business Gozars

A “Gozar” in the Afghan context is a unit within the urban sub-district unit called “Nahia” formed from combining four to five urban communities, and as per the Municipal Law, would have between 500 to 1,000 households. The Citizens’ Charter Afghanistan Project (CCAP) and the EZ-Kar Component Two will be establishing around 400 gozars (combining around 2,000 urban communities) in 12 cities. Under both programs, gozars elect “Gozar Assemblies (GAs)” from elected Community Development Council (CDC) members of the communities within each gozar. Each gozar receives a grant of US\$ 200,000 for a prioritized subproject within slightly varying permissible menus of both programs.

Under EZ-Kar Component Two (embedded with the IDLG), it was decided to examine the same concept of gozar but with the business communities. A group of business entities, registered and unregistered, individual or firm, in close geographic proximity, would be brought together to form a “business gozar”, elect a “business gozar assembly (BGA)” and be financed for a prioritized market-enabling subproject.

As the whole sub-component on BGAs was also new to the IDLG, it was decided to prepare a concept note and training materials and pilot the same in 2 business communities in Herat city. This was undertaken in October 2019. The lessons-learned from the pilot will be incorporated into an updated version of the EZ-Kar Component Two Operations Manual and in the training materials.

The actual formation of the business gozar, election and capacity building of the BGA, the preparation of subproject proposals for the EZ-Kar BGA grants, and technical assistance, monitoring and reporting for the implementation of the BGA subprojects and utilization of their grants is primarily facilitated by IDLG-contracted NGOs serving as Facilitating Partners (FPs) in the given city.

BGA subprojects also come under the simplified Public Investment Management (PIM) framework. As such, IDLG would need to ensure that Project Concept Notes (PCNs) are prepared in the required templates and submitted to the MoEc for review and clearance, prior to actual implementation of the subprojects proposed.

IV. SUMMARY: Scope of Work for Consulting Firm:

The scope of work for the proposed consultancy is summarized as follows and further detailed out below:

<p>A. Conduct a basic economic assessment of 12 cities, and prepare spatial mapping of the business areas for establishment of Business Gozars</p>
<ul style="list-style-type: none"> i. Develop tools and methodology for conducting economic assessment for spatial mapping of businesses for establishment of Business Gozars (BG) for improved business activities in urban area. This should ensure linkage between Gozar Assemblies and Business Gozar Assemblies, including women businesses. ii. Mapping and Identification of business concentration locations/clusters/markets for establishment of BGs and identification of what types of market-enabling infrastructure (within the EZ-Kar grant budget ceiling of US\$ 200,000 per BGA) would help have the most economic impact in them in each of the 12 cities. iii. Review and revise the proposed project menu for urban market-enabling infrastructure projects based on economic assessment for the proposed BG locations. iv. Review, revise and further develop the PLA tools for businesses analysis and preparing BG Development Plans (BG-DPs) in line with the program development objective. <p>Note: While the Consultant will propose the possibly ideal (and ranked in order of preference) locations for the BGs, with clear justification for their selection and the possible subprojects that could have the most economic impacts in them, the actual selection of the BGs to be covered under the EZ-Kar CII will rest with the IDLG (in consultation with the relevant municipality) and the actual selection of the</p>

subprojects will rest with the elected BGAs (in consultation with the businesses that are members of the BG).

B. Technical and capacity building support for implementation of the assessment methodology and tools.

- v. Technical assistance to IDLG (i.e. its CCAP/ EZ-Kar CII PIU and the EZ-Kar CII contracted FPs) for implementation of Business Gozars in the 12 cities including:
 - (a) Clear guidelines, methodology, tools and training materials of how to do simple economic assessments of other cities in future
 - (b) Clear set of criteria for selection of business concentrated areas for formation of BGs for the most economic impacts
 - (c) Adaptation and implementation of the new participatory and learning for Action (PLA) analytical tools for BGAs to prepare BG-DPs
 - (d) Possible long list of market-enabling infrastructure subprojects within the BGA grant budget of US\$ 200,000 each that could have the most impact in these 12 cities.

V. DETAILED: Scope of Work for Consulting:

The key roles expected of the Consultant are:

- a) A baseline economic assessment of the 12-cities covered by EZ-Kar Component 2 and training of IDLG teams in undertaking similar exercises in future; and
- b) Identification of 100 business gozars as per the table below:

Province	City	# of Business Gozars
Nangarhar	Jalalabad	17
Laghman	Mehterlam	6
Kunar	Asad Abad	5
Nuristan	Paron	4
Herat	Herat	12
Ghor	Chaghcheran	4
Takhar	Taluqan	8
Kunduz	Kunduz	8
Baghlan	Pul-i-Khumri	8
Khost	Khost Matun	8
Kandahar	Kandahar	12
Faryab	Maimana	8
Totals	12	100

There is a strong emphasis in the project on identification of and addressing the obstacles constraining business opportunities in urban areas. The obstacles could be (inter alia) in term of urban infrastructure deficit and/or the government-to-business interaction processes that have hindered the full utilization of the business opportunities for economic growth and development. Similarly, unique challenges facing entrepreneurs who are women, returnees, or internally displaced persons (IDPs), need to be understood.

While emphasis is placed for BG formation in linear, L-shaped and U-shaped market zones (-- how IDLG defines these terms for this Project will be advised to the shortlisted firms at time of technical proposal preparations --), including micro, small and medium scale businesses, it should also be noted that BGs can be formed from non-physical markets. A concentration of business owners in a given area even without a physical market building/ buildings may be prioritized/ selected for BG formation. For example, a group of women who are members of a geographically proximate urban cluster of home-based businesses that work on (say) carpets, kilim, pottery, soaps, preserved fruits, jewellery etc. could also be considered for a BG formation.

The Consultant may both carry out a detailed literature review and compile city-specific demographic and key business profiles to be covered in close coordination with municipality and other government and non-government stakeholders (e.g., Municipal Advisory Boards), and undertake their own data-collection methodologies for this purpose (e.g., surveys, KII etc).

The Consultancy is required to identify and map potential locations for BGAs establishment. The selection would be based on mapping produced as a result of the assessment and preparation of spatial map of the businesses in the cities under assessment, and in close coordination of municipalities and all other stakeholders.

Deliverables:

- a) 1 report each on the economic assessments of each of the 12 cities – total 12 reports
- b) Complete list of possible 100 business gozar locations, with detailed information on each, including lists of business entities, location, clear rationale for their inclusion, and ideal market-enabling infrastructure (within the EZ-Kar BG grant budget) for each location that could have the most economic impacts (the rationale should include consideration of the sustainability of business gozars and the impact of potential investments)
- c) Training of Trainer (ToT) type training materials for how to undertake basic economic assessments and identify locations for business gozars
- d) Long list of potential market-enabling subprojects for these 12 cities within US\$ 200,000 each that have the most (and sustainable) economic impacts.

IV. Proposed working modality and approach:

- Work with the IDLG DMM EZ-Kar management team to fully understand the EZ-Kar's and this stated assessment's objectives and revise the methodology, tools and templates proposed for the data collection accordingly.
- Hire sufficient and qualified and experienced data collectors to complete the assignment within a month of contract period and ensure they are properly trained in the tools and procedures for data collection, compilation and initial analysis.
- Do a detailed literature review and compile a city-specific demographic and socio-economic profile of all the cities to be covered in this contract. Where city-specific data is un-available, compile the provincial profiles of the cities included.
- Meet with each of the 12 Municipalities, Ministry of Economy, and the Central and (where present provincial/ city specific) Chamber(s) of Commerce in Afghanistan and compile data on registered business/ entrepreneur entities/ individuals, and the concentration points for these in each city.
- Develop a comprehensive questionnaire for conducting the survey in consultation with the firm and the related entities.
- Conduct field surveys in each of the 12 cities compiling: (i) a more detailed economic analysis of the city, (ii) a listing of the number and type of markets (including but not limited to the number and types of businesses in these markets), and (iii) the obstacles for business growth facing these markets (for example in terms of weak business service provision by government to business and their complication, and infrastructure and utilities deficit for business promotion). These field surveys will facilitate the identification and selection of markets in which EZ-Kar investment can have highest impact.
- Field surveys could include an analysis of aspects such as (inter alia) different market types (example linear shops, vendors' type market, condensed markets), and obstacles in term of infrastructure deficit which has caused the business demotions such as access to the market roads, storage/ toilet/ and other facilities included, potential for new markets, local production/ raw material industries, main import/ export/ trade routes in and out of the city if relevant, trade zone possibilities, industrial park possibilities, women's economic inputs and labor potential, overall labor force, seasonal labor migrants, agricultural labor and rural urban linkage possibility for agriculture product processing and markets.
- Assess (based on a case study or small sampling) on how the high influx or presence of returnees and/ or IDPs has impacted on the labor force and/or overall socio-economic opportunities in each city and in the market locations.
- Using all the above-mentioned data and activities, propose lists of business entities/ individuals to form the stated number of business gozars in each city, along with proposed geographic boundaries for the same. Ensure at least 10% of women representation and at least 10% of IDP/Returnees in the entities proposed for each business gozar. Also ensure that the proposed list includes varied profiles of business entities covering all aspects of business from production, packaging, transportation, middle-men/ agents, advertising, raw materials, etc.
- Compile all the data above into standardized economic assessment reports for each of the 12 cities and submit the same to the Client for review and feedback. Include expert recommendations based on the findings, on how the Client (and others) may support the enhancement of economic opportunities in these cities.
- Prepare a detailed list of 100 or more potential business gozars as per the table provided above.

- Incorporate the Client’s feedback into the 12 economic assessment reports, compile the same, add the other features outlined in the reporting requirements below to present a final report to the Client.
- Once the final report is approved, conduct a workshop for a select audience (determined by the Client) on the key findings and recommendations from the report.

V. Reporting Requirements beyond the deliverables stated above:

- Inception Report (in a format that will be provided at the time of contract finalization) within a month of contract signature, showing all staff mobilized, offices set up, tools for data collection finalized and trainings for data collectors completed. The template for the city assessment reports and all tools should also be part of the inception report submission.
- Final, end of contract report, incorporating the feedback received on the draft reports mentioned above and combining them into a single report, plus methodology, tools, key staff contribution, actual time schedule, other findings (if any) and recommendations. Total 1 required.
- A workshop to be conducted in the IDLG DMM HQ premises in Kabul outlining the key aspects of the final report, in a power point presentation format, to an audience including and invited by the IDLG DMM management, WB, MoEc and other relevant stakeholders. The minutes from the workshop, including the Q&A, is also part of the Consultant’s mandate.

VI. Key staff:

No.	Designation	No of Positions	Month	Expected Input (Man-months)
1	Team Leader/ Chief Economist – 1 position	1	6	6
2	Urban Development Specialist/ Engineering background – 1 position	1	5	5
3	Research Economists – 4 Positions	4	5	20
	Total	6		31

The non-key staff for each package mandated by the Project is as follows:

- Field data collectors – 1 male and 1 female per 16 business Gozars proposed for 2 to 3 months (with minimum 14th grade successful completion and 2 years of relevant field work experience)
- It should be noted that the Consultants can add to the non-key staffing mentioned above but within reasonable numbers.

2. Independent Directorate of Local Governance (IDLG), GoIRA, now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the aforesaid Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The short listing criteria are:

- a) Minimum of 6 years in existence
- b) Minimum annual turnover of US\$ 250,000 for the last 3 fiscal years
- c) Previous contract history of at least 2 contracts with a minimum contract value of US\$ 500,000 within the last 5 years
- d) Adequate core organizational structure (not project based) for contract oversight and management
- e) Minimum experience of 3 previous projects in evaluations/ studies/ assessments/ surveys
- f) Minimum experience of 3 previous projects in economic/ business development.

The Consulting Firm while describing the assignment(s) for similar experience should furnish the following details:

- Consulting Firm should explain in what way the executed assignment(s) was/were similar in nature to the current assignment.
- The Consulting Firm should explain the exact role played by the consultant in the assignment if the assignment was carried out in association with other firms as JV or in sub-consultancy for carrying out the assignment.

The requirements for Consulting Firms who intends to associate with other firm(s) in the form of a Joint Venture (JV) or Consortium or a sub-consultancy to enhance their qualifications are indicated as under:

- i. The lead partner is required to be identified clearly and the Consultant shall state the composition and nature of their association (JV/Sub-consultant) in their EOI.
 - ii. In case of JV, all partners each i.e. the lead and JV members shall meet 100% of the shortlisting criteria of (a) through (f) above. However, the short listing criteria will not be applied and considered for sub-consultant.
 - iii. Eligibility requirements in compliance with paragraphs 3.21, 3.22, & 3.23 of the *World Bank's Procurement Regulations for IPF Borrowers, Procurement In investment Projects Financing, Goods, Works, Non-Consulting and Consulting Services revised November 2017 and August 2018*. The attention of interested Firms is drawn to *paragraph 3.14 and 3.15 of the World Bank's Procurement Regulations for IPF Borrowers, Procurement In investment Projects Financing, Goods, Works, Non-Consulting and Consulting Services revised November 2017 and August 2018*, setting forth the World Bank's policy on conflict of interest. In addition, please refer to the following information on conflict of interest related to this assignment as *per paragraph 3.16 and 3.17 of the World Bank's Procurement Regulations for IPF Borrowers, Procurement In investment Projects Financing, Goods, Works, Non-Consulting and Consulting Services revised November 2017 and August 2018 available at www.worldbank.org/*.
3. Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. If consultants intend to associate with other firms, they are advised to clearly identify the lead partner and state the composition and nature of the association (JV/ sub-consultant) in their EOI.
 4. A Consulting Firm will be selected through **Quality and Cost-Based Selection (QCBS)** in accordance with the procedures set out in the *World Bank's Procurement Regulations for IPF Borrowers, Procurement In investment Projects Financing, Goods, Works, Non-Consulting and Consulting Services revised November 2017 and August 2018*.
 5. Expressions of interest must be delivered in a written form to the address below **(in person, by mail, or by e-mail) by 8th February, 2020 by 16:00 Hours. (Kabul Local Time)**. For convenience, the EOIs submitted by the Consulting Firms should preferably not exceed 40 pages. Further information in respect to this REOI can be obtained at the address below by email or in person during office hours [08:00-16:30 Hours].

Attention: Procurement Management Unit Head, Umar Sultani

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