



Terms of Reference (TOR)

TOR Title	TOR for an International Consultant: Mapping and assessment of Business Development Services (BDS) Providers for the ILO PROSPECTS Project - Phase II		
Country	Iraq	Project Code	IRQ/23/50/NLD - 109427
Duration	From 10/03/2025	to	20/06/2025
Pillar:	Pillar 2: Economic Inclusion		
Outcome:	02.03-Increased Access to Finance, Business Development and Entrepreneurial Support		
Output / BL Activities	02.03.03 - Expanded support to business start-ups and existing MSMEs through financial and non-financial support (business management training) Act 01 Market assessment of BDS providers in preparation for selection of a potential partner to lead non-financial services		

PROJECT BACKGROUND

1. General Background

The forced displacement crisis has increased in scale and complexity in recent years. According to UNHCR, 117.3 million people were forcibly displaced worldwide at the end of 2023. Forcibly displaced persons (FDPs), including refugees and internally displaced persons (IDPs) face specific vulnerabilities, including loss of assets, limited rights, lack of opportunities, a protection risk as well as a risk to be out of school, and a lack of planning horizon. In addition, the communities hosting FDPs also struggle to pursue their own development efforts.

In response to the considerable challenges facing FDPs and host communities, a partnership initiative titled: 'PROSPECTS' Partnership for improving Prospects for host communities and forcibly displaced persons, was launched by the Government of the Netherlands in 2019, bringing together the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF) and the World Bank. Through the PROSPECTS partnership, the five partner agencies aim to leverage their comparative advantages and areas of expertise to programme complementary and interdependent interventions that address education and skills, employment and protection challenges. The partnership spans eight countries, namely Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon, Sudan, and Uganda and covers in its Phase II the period 2024-2027.

2. ILO PROSPECTS in Iraq

In Iraq, PROSPECTS partnership aims to support national efforts to strengthen systems and develop/implement policies that promote inclusion and socio-economic development of forcibly displaced and host communities, whilst working closely with local authorities, business/private sector, and communities to identify, maximize, and realize opportunities on the ground. With a geographic focus on the Northern governorates of Duhok and Ninawa, the partnership focuses on three pillars, namely: education and learning; economic inclusion and protection; and critical infrastructure pillars.

Within the framework of the education and learning, economic inclusion, and critical Infrastructure pillars of the PROSPECTS partnership in Iraq, ILO's focus is on supporting thousands of forcibly displaced persons and host community members to access more and better livelihoods and decent job opportunities. It is doing so through an integrated approach that support market-driven skills training; improve public employment services; implement labour intensive infrastructure projects; promote financial inclusion; and support business start-ups and micro, small, and medium-sized enterprises (MSMEs).



ASSIGNMENT BACKGROUND AND OBJECTIVES

3. ASSIGNMENT Background

Business Development Services (BDS) providers play a vital role in fostering entrepreneurship ecosystem and supporting the growth of start-ups and existing MSMEs through providing a range of services. These include outreach initiatives to identify and engage with potential target businesses, business/financial management training/coaching, incubation, networking opportunities, access to markets and robust business readiness programs. All these services contribute to preparing start-ups and existing MSMEs to become more investment ready.

However, **many private BDS providers based in emerging markets are challenged with the question of sustainability as their business model is subsidy dependent** and few follow commercial approach in their service provision.

In the first phase of the PROSPECTS, International Labour Organization (ILO) played, with the support of its partners, a crucial role in bridging the gap between supply-side actors (non-financial and financial BDS providers) together but also with demand-side clients (MSMEs) including startups and scale-ups. This was achieved through a multi-pronged approach involving outreach, capacity building, referrals, and risk mitigation measures facilitated through collaboration with the Central Bank of Iraq, partner banks and the Iraqi Company for Banking Guarantees (ICBG).

As a result of these efforts, ILO built the capacity of a range of public and private BDS providers on its business and financial management tools targeting MSMEs, 38 national trainers were certified and trained over 2981 individuals who graduated from SIYB and Financial Education (FE) training programs.

Of these, 1170 individuals applied to access finance from partner banks and underwent in-house screening while conducting mini-feasibility studies in preparation to refer eligible ones to partner banks. Subsequently, 480 clients were referred to three partner banks to explore potential loan options for starting or expanding their businesses within the areas of PROSPECTS intervention in North Iraq.

In phase II, recognizing the importance of long-term sustainability and impact beyond the initial ILO intervention and emphasizing the criticality of bridging the link between potential/existing entrepreneurs and financial service providers, ILO PROSPECTS is seeking to partner with a suitable entity to assume a similar role in preparing MSMEs to be investment ready. To achieve this, a thorough institutional assessment of potential partner BDS providers need to be conducted to identify and select capable entity/ies to effectively fulfilling this role.

4. ASSIGNMENT OBJECTIVES

The overall objective of this assignment **is to conduct an institutional assessment of existing BDS providers that operate in North Iraq** to select the most suitable/relevant entity/ies to partner with ILO/PROSPECTS program and draft the collaboration framework within a detailed Terms of Reference (ToR). The assessment will include detailed analysis of BDS services provision (e.g., business training, mentorship, incubation, acceleration,



linkages with financial institutes), organizational structure, operations, teams' capacity, BDS business model and sustainability strategy, etc.

The end goal of these efforts is to **enhance collaboration between financial and non-financial service providers**, streamline MSMEs' access to non-financial and financial services while addressing critical challenges such as service fragmentation and MSMEs distrust in the financial sector.

METHODOLOGY AND SCOPE OF WORK AND SCOPE OF WORK

5. The methodology

ILO's PROSPECTS initiative in Iraq, seeks to hire an **international consultant** to support its efforts for strengthening BDS provision and linkages with financial sector providers. A national consultant will support the delivery of some of the objectives and will work closely with the international consultant towards this end. The tasks will take place throughout three phases:

Phase I: Initially, the **national consultant** will map the existing BDS service providers in Iraq with focus on North Iraq for initial screening based on input and guidance from international consultant. For each provider, the national consultant will prepare a concise profile that highlights their history, team structure, current services, primary target groups, and geographic coverage and existing partnerships. These profiles will **serve as the basis for ILO's selection of five BDS providers to undergo an in-depth assessment**, as outlined in the scope of work.

Phase II: Both consultants will conduct an institutional in-depth assessment for the selected 5 active BDS providers in North Iraq. This includes organizational structure, identification of strengths, weaknesses, opportunities, and threats, focusing on their current services, operations, innovation programs, and teams' capacity to support MSMEs while reviewing the business model, management and financial status and sustainability plans. Following the in-depth assessment, the international consultant in close coordination with national consultant and ILO teams will recommend the most suitable entity/ies to play a pivotal role in bridging the gaps between BDS providers, MSMEs and financial service providers. With a clear sustainable business plan.

Phase III: The international consultant will then draft a Terms of Reference (ToR) to delineate the collaboration framework, which will leverage ILO's expertise and initiatives to strengthen the capacity of this entity, the referral systems and foster partnerships with financial institutions while ensuring the sustainability and scalability of MSME support mechanisms in Iraq.

6. Scope of Work: The consultant will undertake the following tasks:

Phase I: Initial mapping:

1. Guide the national consultant with initial mapping of active private BDS providers in Iraq with focus on North Iraq based on a desk review and previous studies. The mapping should include a summary of the history, team structure, current services and tools, primary target groups, and geographic coverage and existing partnerships/affiliations with international/national networks and funders. These entities will be categorized as local and national based on their service coverage.
2. Conduct online meetings with key national BDS providers to understand the main challenges and opportunities in BDS delivery.
3. Guide the national consultant in the selection of the five most relevant entities aligned with the objectives of this assignment and narrow the selection to 3 entities following meetings with each of them (at least one national and one local serving North Iraq).



4. Propose the methodology, research tools (questionnaire), timeline and workplan based on the outcomes of the national consultant mapping, validate with ILO.

Phase II: In-depth assessment: Conduct a comprehensive analysis of the selected three BDS providers with the support of national consultant, covering the following areas:

2.1 Organizational history/set-up

- a) The BDS's vision, mission, mandate and experience in MSME development.
- b) Legal status: formal registration as a company, NGO, or other legal entity.
- c) The appropriateness of the legal structure for delivering BDS services effectively for MSMEs.
- d) Physical infrastructure and facilities available within the various branches of the BDS.

2.2 Operations

- e) What is the business model of the BDS?
- f) Identify the **geographic areas** covered by the BDS provider (physical branches) and outreach mechanisms followed to attract MSMEs in the covered areas.
- g) **Services/products:** Analyse the range of services offered currently for MSMEs including outreach strategies, business management training, financial education, incubation, networking opportunities, market linkages, business readiness initiatives, linkages with financial services and innovation hub projects, focus on digital economy, women focused (if applicable). Are there other demanded services that are planned to be introduced? **Frequency and continuity of the service provision should be also assessed.**
- h) **Training curricula:** Map existing in house training tools related to business/ financial management and investment readiness of the MSME. These should be separated per the start-ups and existing business training tools and approaches. Indicate affiliation with international programs including those of ILO (SIYB and FE). Are there specific courses for women entrepreneurs?
- i) **Post-training supports:** The availability and effectiveness of post-training support for startups, mechanisms for follow up, such as coaching, mentoring, and ongoing guidance."
- j) **Target segments:** What businesses (micro, small, medium enterprises, start-ups or existing), sectors (manufacturing, agriculture, trade, services) do those BDS services target? How many beneficiaries are reached on an annual/monthly basis, and specifically, women, persons with disabilities, IDPs, and refugees? What sectors are they involved in, and from which areas do they come?"
- k) Leveraging technology and innovation within its service delivery model. Does the DBS utilize digital platforms or tools to enhance operational efficiency and outreach?
- l) **Partnerships with financial providers:** Assess the effectiveness of partnerships with local financial providers, including banks, microfinance institutions, angel investors, and venture capitalists and if they have memberships in regional or international networks, advocacy role, etc (if applicable)

2.3. Human Resources

- m) How many employees work for the BDS on full or part-time basis and the composition of the workforce (e.g., gender, age, education level, experience, their contractual status). How many trainers (women/men) are



associated with the BDS provider, and what are their certification and covered topics. Additionally, how many consultants, coaches, and volunteers are associated with the BDS and deliver/support their BDS services?

- n) The qualifications and experience of key personnel (education level and professional certifications)
- o) Staff recruitment, retention, motivation and development. Are there clear job descriptions and performance appraisals and development plans?
- p) Skills gap analysis within the BDS.

2.4. Governance, business and financial management:

2.4.1. governance and senior management

- q) Is there an active board that oversees the BDS? How often they meet and do they review management reports and provide feedback?
- r) Composition of the senior management team, management practices and frequency of their meetings
- s) Is there turnover in the senior management team and other HR positions? How does the organization demonstrate its commitment to decent work principles, including, equal employment opportunities, and health and safety standards, social security for the staff? As well as, is there a documented code of conduct or ethical guidelines that guide the organization's operations? Is there a tracking record of client satisfaction and positive outcomes?

2.4.2. Financial management and capacity:

- t) **Revenue streams:** What are the main sources of income? (member fees, services fees, donor funding, donations, public funding, etc.). Are these revenue streams stable and recurring or one-time sources?
- u) Does the BDS have **audited financial statements** and regular financial projections, plans, etc!
- v) **Pricing model:** What are the prices charged to training/incubation and coaching (if applicable) and funding mechanism? Are fees charged for these services to client entrepreneurs or subsidized by other entities or special pricing mechanisms for certain target groups (e.g., women, disabled entrepreneurs)? How competitive these prices compared to a similar BDS? (if applicable)
- w) What are the BDS's strategies for **fundraising** (e.g., grant proposals, partnerships with financial and non-financial institutions)?

2.5. Sustainability Analysis:

- x) Evaluate the financial sustainability of the BDS provider, with a focus on their sustainability plans (if applicable)
- y) How dependent is the BDS on donor funding and is it diversified, and are there strategies to diversify income? Is the funding continuous or interrupted?
- z) Has the BDS invested in data systems and technology for monitoring progress, supporting decision-making, and improving service delivery?

2.6. Recommendations and areas of support: (support from Local consultant).

Based on the results and outcomes of the in-depth assessment, the consultant will:



1. Recommend in close consultation with national consultant and ILO PROSPECTS team the **most relevant entity/entities to partner with based on clear pre-agreed criteria** (geographic coverage, years of operation, level of maturity/diversification/continuity in service provision, BDS readiness to embrace a sustainable model, linkages with FSPs, etc).
2. By the end of each BDS assessment section, the consultant should highlight the areas of support and development needed for the BDS to play a more active/effective role in the MSME development in North Iraq.
3. Review the proposed business plans submitted by the potential partners and amend to ensure a sustainable business model for the entity, including fee-based service delivery mechanisms. Agree on final selected entity/ies that will work with PROSPECTS and validate business plan with the management.

Phase III: Draft a ToR for framework collaboration with selected BDS service provider/s:

The international consultant will then draft a Terms of Reference (ToR) to delineate the collaboration framework with selected one or two BDS provider/s, which will leverage ILO's expertise and initiatives to strengthen their capacity, build the referral systems and foster partnerships with financial institutions while ensuring the sustainability and scalability of MSME's support in Iraq.

The TOR should cover three main sections that align with the validated business plan:

1. Sustainable service provision: this could include business plan modelling and introduction of sustainable services that generate income and ensure effectiveness
2. Capacity development and strengthening needs, based on the outcomes of the in-depth assessment
3. Building linkages with financial providers/referral system for MSMEs: propose functions and mechanisms for coordination and collaboration

DELIVERABLES& PAYMENT SCHEDULE

All payments will be made upon the delivery of the assignment's deliverables and the satisfaction of the ILO.

Task	Deliverables	Work days	Payment
1. Initial mapping	1. An inception report summarizing the main findings from the desk review with national consultant and the final 3 selected BDS providers for further in-depth assessment. The inception report should propose methodology, research tools (questionnaire), timeline and workplan for validation by ILO (1 month after project kick off).	6 WDs	1 st payment (50%) Upon submission of deliverables 1 & 2.
2. In-depth Assessment	2. A detailed in-depth analysis report (joint with the national consultant) of the selected three BDS providers, covering: the core 5 organizational aspects detailed in the phase II section. (30 April 2025)	9 WDs	



	<p>3. Recommendation of one or two selected BDS providers to partner with based on clear criteria agreed with PROSPECTS team along with capacity development needs and sustainability plans (7 May 2025)</p> <p>4. Reviewed business plan validated for the selected entity/ies that will work with PROSPECTS (15 May 2025)</p>	<p>2 WDs</p> <p>5 WDs</p>	<p>2nd payment (50%) Upon submission of deliverables 3 & 4 & 5</p>
<p>3. Draft TOR for a framework collaboration with ILO</p>	<p>5. A draft ToR reviewed and approved by ILO PROSPECTS team following a standard format, based on the business plan developed with the entities and including the 3 main areas for the framework collaboration as outlined in the tasks (20 June 2025)</p>	<p>5 days</p>	
		<p>27 WDs</p>	<p>100% (2 payments)</p>

REQUIRED QUALIFICATIONS, EXPERIENCE AND COMPETENCES

7. Minimum requirement

- Advanced degree in business administration, economics, organizational development, or related fields.
- Proven experience of 10 years in institutional assessments, MSME development and BDS service provision and evaluations.
- Strong analytical, report-writing, and stakeholder engagement skills.
- Familiarity with the business environment and economic context of Iraq especially North Iraq.
- Familiarity with the work and frameworks of ILO or similar organizations is an advantage.
- Excellent command of English language, Arabic or Kurdish is a plus.

SUPERVISION AND LOGISTICAL ARRANGEMENTS

Throughout the assignment, the consultant will work under the direct supervision of PROSPECTS Entrepreneurship and Financial Inclusion Technical Officer, covering Lebanon and Iraq and National Project Officer (Iraq), under the guidance of PROSPECTS Project manager in Iraq.

TIME FRAME AND ESTIMATED BUDGET

- The assignment is deliverable-based and will require 27 working days from 10 March 2025 to 20, June 2025) with 2 field missions to Iraq.
- The budget will be based on:
 - A consultancy fee on an agreed Daily rate for 27 days of work performed during this period;
 - A per diem per night spent in Erbil as per UN regulations for a maximum of 10 days over 2 missions;
 - Two round trip tickets on the basis of the shortest most economic direct route from/to country of residence and Erbil.

SELECTION CRITERIA AND EVALUATION PROCESS

ILO invites technical and financial proposals from qualified international consultants who have relevant experience in delivering similar services, as mentioned in this Terms of Reference (TOR). One international consultant technically responsive and financially viable will be chosen following ILO procurement rules/procedures on evaluation by an ILO team of professionals.

A two stages evaluation method will be applied for this procurement exercise and the contract will be awarded to the highest scorer- (70% of the total grade) will be allocated for the technical proposal and the (30 % of the



total grade) for the financial one. Any candidate that scores less than 70% in the evaluation of the technical proposal shall not be considered further.

If multiple candidates achieve high scores, ILO might invite top three highest scored consultants for interviews to determine the final selection.

1. Technical Proposal

- The Consultant/ External Collaborator shall describe in the Technical Proposal how he/she intends to meet the requirements described in the Terms of Reference.
- Provide a maximum of three pages outlining the methodology and steps for completing the assignment.
- In preparing the proposal, the External Collaborator shall thoroughly review all requirements and demonstrate its understanding and approach to meeting these requirements within the proposal.
- In preparing the Technical Proposal, the consultant/Excol shall provide details of the proposed project methodology and implementation and management plan as well as his/her personal CV, indicating candidate’s qualifications and relevant experiences from similar assignments, the candidate’s contact details and at least three professional references.
- The External Collaborator may also add any other document(s) and information to demonstrate its technical and professional capacities and competencies to fulfil the requirements as specified in the Terms of Reference.

2. Financial Proposal

- A financial proposal for conducting this assignment, based on a total of 27 working days.
- Daily fees exclude transportations and daily allowances, which will be covered separately during the 2 planned missions to Erbil.

3. Evaluation Process and Criteria of Selection

Proposals will be reviewed and evaluated by an Evaluation Panel from the ILO to determine compliance with the requirements specified in the TOR. **A two-stage procedure** will be utilized in evaluating the proposals:

First Stage: Technical Proposal (70% of total grade) will be evaluated first, followed by the consideration of Financial Offers (30% of total grade).

Technical Proposal Evaluation Criteria

Criteria	Weight	Description
Consultant qualification and competences	10%	Relevant educational background and competences.
Professional experience relevant to the TOR and previous experience in conducting similar assignments	30%	A solid professional experience coupled with previous experience for assessing and working with BDS providers towards their sustainability.
Suggested methodology and compliance with the TOR	25%	The proposal should demonstrate a solid compliance with the TOR showing the methodology to be used to conduct the assignment and estimated schedule to achieve all deliverables described in this TOR.



Providing evidence of developing good-quality reports	25%	Provide samples of previous work showing excellence in writing high-level strategic documents.
Familiarity with local context in Middle East and Iraq/KRI	10%	Good knowledge of the Business development related context in Middle East and in Iraq, its challenges and opportunities.

Note: Any candidate that scores less than 70% in the evaluation of the technical proposal shall not be considered further.

Second Stage: Evaluation of Financial Proposal

- During the second stage of the evaluation, the Financial Offers (30% of the total grade) of all bidders who have attained at least the minimum score during the technical evaluation will be compared.
- The process of evaluating proposals will be based on the combined percentage of Technical and Financial elements.
- One international consultant technically responsive and financially viable will be chosen following ILO rules and procedures shown in this TOR and the evaluation conducted by an ILO team of professionals.