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**Local Economic Potential and Future scenarios**

**for the municipalities of**

**Jashore and Shibganj**

1. **Background**

Swisscontact was established in 1959 as an independent organisation by prominent individuals from the worlds of commerce and science in Switzerland. It is exclusively involved in international cooperation and since 1961 has carried out its own and mandated projects. Since it was founded, Swisscontact has maintained close ties with the private sector. Currently, Swisscontact is active in 35 countries with a workforce of over 1,200 people, implementing 110 projects. The organisation is based in Zurich. Swisscontact concentrates on four core areas of private sector development:

* Skills Development
* SME Promotion
* Financial Services
* Resource Efficiency

The **Swisscontact Bangladesh** Office is based in Dhaka, Bangladesh. As per the Mission of Swisscontact, SARO has the mandate to develop and maintain the Foundation’s portfolio of development projects in South Asia.

1. **Prabriddhi – Local Economic Development (LED)**

Bangladesh’s economy has been steadily growing over the last three decades with GDP growth rates above 5% for the last 10 years. The 7th FYP recognizes that the rural development has contributed significantly to this economic development and supported Bangladesh’s ambition to reach the status of “middle-income” country. However, not all regions of Bangladesh were able to benefit from the economic transformation. Decentralization was also an important element of the 7th FYP, correcting partially the unequal distribution of these benefits. Democratically elected Local Government Institutions (LGIs) at union, Upazilla and municipal level were expected to reinforce this trend. Since a few years however the decentralization process has slowed down, but new concepts such as Local Economic Development (LED) have entered the sphere of the local government mission. The LED approach helps select the best commodities / sectors according to the natural and human resources of given areas, revitalizing the decentralization process. It is within this context that Prabriddhi has been designed.

**Local Economic Development** is indeed, the capacity of an urban or rural territory to create a competitive advantage for its enterprises through a broad set of activities and improve the economic well-being of its people and workers. LED is essentially participatory short-term planning, bottom-up designed, owned and delivered, relying on public-private collaboration with an iterative, transparent and open-ended process.

The Local Economic Development (LED) project, branded as Prabriddhi, funded by SDC and implemented by Swisscontact Bangladesh has started an 18-month long pilot or inception phase in August 2018 in two selected municipalities of Bangladesh, where it has two broad objectives:

1. **test the capacity of municipality level institutions and the feasibility of the LED process through municipalities;**
2. **based on the pilot experiences, design a scale up phase of the project with a national level anchor.**

## 2.1 Rationale of the Study

The motor of the local economic development is built upon the critical economic subsectors of the areas. In order to identify the economic potentials of the municipalities of Jashore and Shibganj, the local governments need to know what sectors and products best perform in the national competitiveness environment. The key questions are: what are the products to promote nationally and internationally? What sub-sectors to choose for attracting private investment? What sub-sector producer to link up with national and international intermediaries and buyers downstream the value chain?

To identify the future growth trajectories of these subsectors, the project has to focus on the local markets and **(inter)national demand** of the related products and services.

1. **The Study on Local Economic Potential for Jashore and Shibganj**

## Objective of the study

The economic potential study aims to achieve three results (i) identification of the sub-sectors/economic areas in which the municipalities show a potential competitive edge in national and global markets, which takes into account gender inclusiveness; (ii) identification of the main potentials, threats and current issues hampering national and global competitiveness of the identified areas; and (iii) looking for stakeholders’ recommendations on how to improve the performance of the pre-selected sectors

The study will further assess the presence of a **critical mass** of micro, small and medium size enterprises in those subsectors and the need for **local skills** implying the potential (or lack) for employment generation. The study will further map the related needs and availability of **raw material** to produce the key products of the selected sectors. The existence of **linkages** and gaps, if any, conducive to inter-firm collaboration and potential for positive coordination, resource dependency and **synergy** with donors and government will also be assessed.

## Implementation process

The study is expected to be conducted in three phases:

1. In-depth desk research conducted during the first 1 month, in which the statistical data of the 2 municipalities of Jashore and Shibganj are examined and aggregated showing the most important growth areas;
2. Field research to be conducted during the 1st and 2nd month in the 2 municipalities and the major cities (Dhaka, Chattogram) narrowing down the number of potential sectors based on the buyers’ assessment of firms’ capacity and performance to meet the changing demand, and on the assessment of industry capacity to meet requirements in volume and quantity; and
3. In the 3rd phase, for selected sectors/ products a comparison between current and potential global demand and current capacities and structures to be conducted. The identified performances and shortcomings to be presented in a feedback workshop at the end of the 3rd month.

## Approach

This study will employ mixed method approach—both quantitative and qualitative and will triangulate data gathered from different sources including secondary literature, sample questionnaire survey, focus group discussions and key-informant interviews.

Although the objective of this assignment is to identify the sub-sectors/economic areas of the municipalities having a potential competitive edge in global markets, insofar as the consultants are able to obtain sufficient data on the newly emerging sub-sectors.

Consultants will not come up with technical solutions for very specific sector-problems. This is basically up to the stakeholders involved in those sectors and the sector experts consulting them. The project is facilitating the process of identifying economic potentials and feeding them into the strategy formulation process without finding remedies for every sector problem.

Quality of the study will depend on the statistical trade data of the municipalities / districts. As the consultant will look for data over a period of 5 years a general trend should be visible.

Other statistical data such as number of enterprises, employment or investment by sub-sector should be very useful for the assessment of the future competitiveness and potential of various sub-sectors.

## Proposed Methodology

As domestic trade data are not available at municipality level the study will essentially rely on export data and thus on the global market perspective (Meyer-Stamer, 2000). Buyers and customers from Dhaka, Chattogram or foreign buyers, will also be approached to find out if the producers of the 2 municipalities understand and meet their more sophisticated requirements and so-doing upgrade their production.

The selection of the subsectors will also be determined by the **higher potential value-added** activities in economic areas like food processing, horticulture… and in the cities light and automotive industries, handicrafts, with a view on service/product and process innovation.

The following table summarizes the different steps of the economic potential study.

|  |  |
| --- | --- |
| **LED Jashore and Shibganj**  **Local economic potential study (Methodology)** | |
| 1. **In-depth desk research** | Identification of 3-4 existing and emerging sub-sectors with a high trading volume / added value |
| Identification of 3-5 products and services with a stable growth traded over the last 5 years |
| Identification of 2-3 products which appear nationally and internationally competitive and are among the priorities of the 2 municipalities |
| **Field research** (methodology will be determined in consultation with the selected firm and municipality body) | Assessment of the competitiveness of the 2-3 products based on the assessment of the *Critical Success Factors* |
| Assessment of the institutional and policy framework, including the supporting industries |
| Initial identification of linkages to exporters and international buyers |
| 1. **Reporting** | Compiled analysis of the international competitiveness of products and subsectors |
| Initial recommendation for the 2 municipalities in designing interventions in broad lines. |

## Structure of the Study Report

This report is structured into five main sections:

1. Section 1 introduces the background of the study;
2. Section 2 presents the selection of sectors for the 2 municipalities;
3. Section 3 defines the critical success factors for the selected sub-sectors;
4. Section 4 discusses the main findings, including gender and social inclusion issues, and conclusions for the 2 municipalities, based on the results of the interviews and on literature review
5. Section 5 summarizes the recommendations of interviewees and workshop participants and provides a final conclusion
6. Annexes with list of research tools (questionnaires, etc.), people interviewed, documented interviews and photographs (if possible) taken during field research
7. **The Study on Future Scenarios for Jashore and Shibganj**

## Rationale

Future scenarios are developed

* + - *to make the key actors aware of their “policy making” decisions,*
    - *to build networks and bring together local actors to work on the vision of the municipalities*
    - *to enhance local capabilities for tackling long-term issues*
    - *to define development strategies*

## Study and Presentation (workshop)

### Study

#### Identify and structure likely developments of the local economy of Jashore and Shibganj for the next 10, 15 years (combined knowledge), with stakeholders

Identify critical uncertainties for future development, develop scenarios and assess their implications

* + - * 1. Approach
        2. Agenda / exercise / sequencing
        3. Guidelines

#### Order perceptions about alternative future scenarios / environments

### Presentation

Develop presentations

1. **Duration of Assignment**

The duration of the assignment is 2 months, starting from 01 11 to 31 12 2018.

1. **Evaluation Criteria**

Both the technical and financial proposal will be evaluated:

* Technical Proposal (carries 70% weight);
* Financial Proposal (carries 30% weight).

The bidder is required to submit a technical proposal which should include:

* Detailed study plan as per requirements stated in *Sections 3 and 4.*
* Description of organizational capabilities and related experiences (related reports may be attached to the proposal);
* Proposed team members who will be assigned to this assignment and their competencies to undertake the assignment. The CVs of the proposed personnel should include signed confirmation of their availability for the assignment. The CVs should be submitted as Annex and maximum three pages should be allocated for each CV;
* References: please include names, contact numbers and the main types of services that your organization provides/provided for the current and former clients.

Along with the technical proposal, the bidder is required to submit a financial proposal, in a separate envelope. The financial proposal will be opened only for the agencies scoring 50% and above in the technical proposal. The financial proposal would be evaluated based on:

* Competitiveness of the financial offer;
* Relevance and consistency with the technical proposal.

## Scoring of Technical Proposal

|  |  |
| --- | --- |
| **Criteria** | **Weight** |
| Background and experience of the bidder | 20 |
| Profile of the personnel involved in the assignment | 20 |
| Detail methodology including workplan | 30 |
|  |  |
| **Total** | **70** |

## Selection

The selection of the potential firm will be based on[[1]](#footnote-1):

* Quality and cost-based evaluation by an evaluation team of Swisscontact;
* The bidder achieving the highest score in the proposal will be awarded the contract, provided both parties reach an agreement on the final budget. If there is no agreement on the final budget, then the bidder with the second highest score will be considered.

1. **Required Documentation**

In addition to the technical and financial proposals, it is mandatory for bidders to submit necessary documents demonstrating their legal, taxation and financial statuses. The documents should be part of the technical proposal and include the following:

* Legal registration document in Bangladesh;
* Tax Identification Number (TIN);
* VAT registration number;
* Other valid papers (Provided by Government institutions);
* The vendor has to bear all Annual Income Tax (AIT) and VAT. The total amount of VAT should be mentioned in the financial proposal.

1. **Submission Details**

Interested bidders should submit the technical and financial proposals and other necessary documents as hard (financial and technical proposals in two separate envelopes) and soft copies (in CD) by **1 November 2018 before 5:00 pm** to the address mentioned below. The submission time is between 9 a.m. to 5 p.m. on working days.

Coordinator - Finance & Procurement,

Swisscontact Bangladesh

House 19, Road 11, Baridhara, Dhaka-1212, Bangladesh

**E-mail: tamiz.mullick@swisscontact.org**

1. a) Swisscontact has no obligation to award the contract to any applicant if the proposals submitted do not match the quality and/or the budget requirements of Swisscontact

   b) Swisscontact has no obligation to provide any further information to bidders or any other third party about the evaluation process and its results [↑](#footnote-ref-1)