

INVESTMENT FOR INDUSTRIAL TRANSFORMATION AND EMPLOYMENT (INVITE) PROJECT

Terms of Reference for the Export Firm Support (EFS) Subcomponent Due Diligence Firm

1.0 Background

The Government of the Republic of Uganda (GoU) received financing from the World Bank towards the cost of implementation of the Investment for Industrial Transformation and Employment (INVITE) project. The Project is complemented and supported by the other development partners including the Netherlands, the United Kingdom and Sweden through a Multi-Donor Trust Fund (MDTF).

The Export Firm Support (EFS) Sub-Component is under Window 3.1 of the World Bank-administered Multi-Donor Trust Fund (MDTF), which mobilizes donor contributions and invests in strategic areas to promote an effective implementation of Uganda's National Development Plans.

The objective of EFS Sub-Component is to boost Ugandan firm exports in value-added manufactured products to regional and high-income markets. It will support potential and existing exporters to enter new export markets or expand their presence. Support will focus on upgrading firms' organizational and production capacities and their capabilities to deliver to the demand of foreign buyers.

The EFS will help exporters and potential exporters with the assistance of local and international consultants to identify export opportunities and meet consumer demand through specialized technical assistance and capacity-building activities. The focus will be on promoting sustainable and inclusive economic growth and job-creation.

In line with the implementation arrangements, PSFU is required to establish and thereafter, maintain a due diligence firm for prospects under the EFS subcomponent.

2.0 Purpose for the Due Diligence Firm

Under the EFS subcomponent implementation arrangements, PSFU will recruit a due diligence firm to ensure that all prospective clients are vetted and align to the established requirements for support.

The purpose of the diligence firm is to verify, validate, and assess the quality, integrity, and completeness of the key information required to make a well-informed support decision, while avoiding waste, fraud, and or abuse of processes.

3.0 Specific Roles and Responsibilities of the Due Diligence Firm

The major roles and functions of Due Diligence Firm include:

- a. Confirmation that the information provided in the application by the applicant is accurate, complete and can be verified.
- b. Undertake physical verifications to ascertain that all physical material facts on which the funding decision is to be grounded have been revealed and that information provided is true and accurate.
- c. Asses the capacity of the applicant to fully execute their responsibilities under the contract provision.
- d. Ascertain that the proposed activities if funded will lead to expected outcomes and contribute to attaining the required objectives of the EFS.
- e. Asses the likelihood that the planned activity if undertaken it will lead to improved exports and revenue.
- f. Undertake due diligence of the proposed local export consultants to ensure they have the relevant expertise, experience and facilities to effectively implement the agreed export development plan (EDP).
- g. Assess whether there any risks associated with funding of the planned export activity.
- h. Prepare a due diligence/assessment report including recommendations for all applicants verified for submission and discussion with the EFS Component Manager.
- i. Prepare and submit quarterly progress reports to the EFS Component Manager.

4.0 Composition

The Due Diligence Firm must be an individual company or a consortium of Ugandan companies and must be able to demonstrate ability to carried out similar or related work in the last four years. The company must have the following qualifications:

The Firm should meet the following requirements:

The firm must propose a team of well experienced staff that will work on this assignment, including the level of competence and effort (as well as its approach to verification of the expected prospects from all over the country). The proposed key team must have at least the following expertise with the following minimum qualifications:

- At least 10 years' experience in undertaking related assignments;
- Evidence of having implemented at least 2 similar/ related assignments involving due diligence of proposals and diagnostics of firms
- Demonstrated experience in undertaking export orientated assessments and familiarity with private sector (firm level) export strategies.
- An organogram to demonstrate the firm's technical and managerial capability.
- Demonstrated ability to probe export market value chains with a view of projecting potential for growth and expansion in niche global markets.

Key Experts should meet the following requirements

i. Team Leader

- a) The lead should have documented experience of at least 10 years in program reviews/ evaluations, forensic and due diligence of public or donor financing related programs.
- b) A graduate from a Law School
- c) Masters in Business Administration, Economics, & Finance from a recognized institution, will be an added advantage.
- d) Demonstratable experience working on World Bank/IDA and or Development Partners funded programs in developing countries is an added advantage is required.
- e) Experience working on export market supply chains (standards, regulations, etc.)

ii. Associate Consultant (at least 2 people)

- a) The Associate consultant should have documented experience of over 4 years in monitoring, evaluation and learning, and a clear understanding of proposal appraisal and financial support.
- b) A degree in Law, Statistics or Qualitative Economics
- c) A Master's Degree in Finance, Economics, or Business Administration will be an added advantage.

iii. **Senior Consultant**

- a) The Senior Consultant should have a strong research background, forensic assessment and market intelligence of at least 5 years of experience.
- b) A degree in any of the following, Law, Statistics, Finance, Economic Policy, International Trade, and Engineering.
- c) Good knowledge of export market supply chains
- d) 4 years' experience in working with BDS providers and providing technical assistance to them;
- e) At least 2 significant experiences in improving business practices of MSMEs. A plus when the objective was to improve business practices for MSMEs willing to export.

5.0 Appointment and Reporting

The Due Diligence Firm will be appointed by the CEO of Private Sector Foundation Uganda (PSFU).

The Firm will report to the EFS Component Manager on operational related matters and Project Coordinator on technical issues for follow-up and action.

6.0 Duration of Engagement

The Due Diligence Firm will serve for a two (2) year term, subject to satisfactory performance.

7.0 Expected Outputs

The deliverables from the Due Diligence Firm include:

- a) Inception report.

- b) Periodical review and due diligence reports
- c) After quarterly progress performance reports
- d) Checklists, questionnaires, assessment and screening tools
- e) Review of the Export Development Plans

8.0 Compensation

Remuneration to the Firm will be based on a contract figure prescribed by the project steering committee on guidance from the PIU and in line with the current costs of similar assignments.

9.0 Code of Ethical Conduct

The Due Diligence Firm will be bound by the code of ethical conduct.