Terms of Reference – International Investment Specialist, Uganda

Introduction

1. The UK Department for International Development (DFID) manages UK support for efforts to end extreme poverty. The Growth and Resilience Department (GRD) works to promote broad based economic growth in DFID partner countries.

2. DFID, in 2017, has approved a programme (Invest Africa[1]) aiming to boost Foreign Direct Investment (FDI) in DFID focus countries in Africa to kick-start labour-intensive economic transformation. Invest Africa is a demand led flexible programme. The main contract for Invest Africa is currently following a competitive procurement process that is expected to be in place by the end of 2018.

3. DFID, through GRD, is contracting the services of an International Investment Specialist to support the capacity development of the Ugandan Investment Authority (UIA) for the Invest Africa programme. The consultant will be embedded in UIA and based in Kampala while working on this contract.

4. The contract will commence by April 2018 and will be for a period of twelve months. A break point will be established after 6 months of commencement.

Objective

5. Invest Africa aims to attract foreign direct investment into manufacturing sectors to support job creation and economic transformation. In order to attract more and better foreign investment, the services provided by UIA to investors needs to be improved.

6. Through this contract, Invest Africa will embed an international investment specialist who will support UiA to improve their processes, strategies and capacity which in turn will result in an improvement of service delivery to foreign investors. Ultimately the objective of this support is to attract and retain more foreign investment in Uganda, particularly in manufacturing sectors.

The Recipient

7. The recipient of this service will be the government of Uganda, although the consultant will also have a reporting line to DFID.

Scope

8. The consultant will be directly responsible for the delivery of the following:
   I. Support investors that approach UiA to make and retain investments

[1] Invest Africa is a Major DFID programme aimed at attracting Foreign Direct Investment to Africa. The programme is currently approved and about to enter procurement following early market engagement.

II. Review existing information and strategies relating to: Uganda's economy, laws and incentives, regulatory and other issues affecting foreign investors.
III. Review UiA's strategies, processes, systems, capacity and structures for supporting foreign investors, including through gathering feedback from existing and potential investors
IV. Capacity building and training of UIA staff
V. Capacity development and management of Embedded UIA National Adviser, also to be recruited through Invest Africa

9. The major outputs of this contract will include:
   I. An inception report and 1 year work plan broken down into quarters and setting out key activities and targets at the end of month 1.
   II. A report outlining regulatory and other issues affecting foreign investors (maximum 15 pages) at the end of month 2
   III. A report summarising UiA's strategies, processes, systems, capacity and structures for supporting foreign investors and suggestions for improvements (maximum 30 pages) at the end of month 2
   IV. A training plan for UiA staff at the end of month 2
   V. Quarterly reports by the 15th of the month that summarises: main activities completed, outcome of activities, investors supported, lessons learnt from investors and activities, updates to the workplan

10. In addition the consultant will, as and when required:
   I. Support the DFID Uganda office to organise DFID Invest Africa meetings with UiA
   II. Support high level visits from the UK government related to Invest Africa
   III. Share lessons learnt with other Invest Africa and DFID country programmes

11. Reporting
   I. The consultant will report to DFID's regional adviser for Invest Africa with regular interaction also expected with the DFID Uganda Growth team
   II. Each of the outputs will be approved by DFID

12. Ways of Working and Timing
   I. The consultant will work for an initial two months on a full time basis, after which they are expected to spend an average of 10 days/ month for the remaining 10 months of the contract (the consultant should propose the best way to structure this time)
   II. The consultant will work largely in country (80% of their time) from Uganda when working on this contract

Other requirements

13. DFID welcomes tenders from suppliers who have responded to the main Invest Africa procurement advertised on 09.01.2018 in the Official Journal of the European Union (see paragraph 34 – 36 of this ToRs for programme details). We require all bidders for this opportunity to inform DFID if they are participating in main Invest Africa procurement (as a lead supplier or as a consortium member). If the bidder for this opportunity indicates they are also a bidder for the Invest Africa procurement they must outline a set of measures – such as ethical barriers – which will reduce the level interaction between the two processes.

14. The deliverables of this opportunity will be made available to all bidders on the Invest Africa procurement. If these deliverables are not complete during the main Invest Africa procurement the selected supplier for this opportunity will provide a document summarising key information - including non-public - acquired and this will be shared with the bidders.

15. Where DFID concludes that the participation of the selected supplier for this opportunity has given rise to or is liable to give rise to a distortion of competition that cannot be remedied by any other means, DFID will be entitled to disqualify the selected Supplier from any further participation in this opportunity, or as appropriate, require the replacement of an entity relied on to meet the requirements of the main Invest Africa procurement.

16. Coordination – to ensure alignment with DFID activities, the role holder will need to maintain good communications with DFID and its other implementing partners (such as other Government Departments or organisations hired to act on behalf of DFID) on planned engagement. Additionally, they will need to maintain a good awareness of DFID (and other organisations') relevant strategies and activities.

17. Conduct – the Consultant is expected to act in a way which does not undermine DFID or the UK or its activities.

18. Conflict of interest – any potential conflicts of interest (such as wider business interests which may influence the advice provided) should be notified to DFID as soon as they arise. In such instances an approach should be agreed with DFID for how these conflicts should be managed.

19. Scope – the scope of the contract may be modified subject to mutual agreement.

Administrative and financial arrangements

20. This contract will be covered by DFID's revised standard terms and conditions, which can be found on DFID's website.

21. Scope and payment-basis
    I. Work-plan - specific activities, any associated outputs and the maximum amount of time billable per activity to be undertaken under this contract should be agreed with DFID in advance in a quarterly activity plan. This can then be modified by mutual agreement as needed during the quarter.

    II. Timesheet - Activities undertaken should be recorded in a timesheet which includes detailed description of the activity, time spent (days/part days) and correlation to the workplan, for subsequent sign-off by DFID.

    III. Payment - will be made in-arrears based on the amount of input incurred, up to maximums identified, following receipt of any associated outputs (for some activities, there will be no specific output, and time will be paid purely based on input; which approach is to taken will be reflected in the work-plan)

22. Duration / break-points – the contract will run for 12 months initially with the potential to renew; both parties are entitled to break the contract at any point if they have concerns or if priorities and agendas change. A review will take place after 6 months to assess progress.

23. Fee rates - Any further costs incurred other than travel and accommodation (hotel, subsistence, travel) will be expected to be met from within the rate.

24. Travel / expenses – to be undertaken in line with standard terms and conditions (i.e. standard economy airfares etc.).

25. Weekend working permissible only with DFID prior approval. Timesheets to be submitted for work.

26. Transparency**-** DFID requires Suppliers receiving and managing funds, to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners. Further IATI information is available from: http://www.aidtransparency.net/

27. Duty of Care **-** The role holder will be expected to provide their own overseas duty of care in relation to themselves and logistical arrangements. If deemed necessary DFID may need to be convinced that systems and procedures that

the role holder has in place are adequate if there is travel to conflict affected or similar high security areas.

Technical Bid – 70 points

Bidders will be assessed based on:

a. Prior experience and experience- 50 points
b. Delivery Approach and methodology- 20 points

28. Documents required
    a. CVs of Consultant. Max 4 pages
    b. Maximum 3 page document setting out delivery approach and methodology

Expert Profile

29. Senior consultant with at least 15 years of experience, with at least 10 years at a senior level on some of the following areas:
    - Working in a successful Investment Promotion Agency (IPA);
    - Working as a consultant on IPA reform;
    - Facilitating/ supporting foreign direct investment transactions into a developing country;
    - Capacity development of staff in an IPA;
    - Experience with multinational FDI in developing countries, including advising on FDI strategies in at least 1 country

30. Must be familiar with complex issues of investment protection (including use of disputes such as ICSID),trade agreement issues (such as GSP, EBA AGOA), tax (including corporation tax, VAT, transfer pricing and trade issues), customs, leases, trade and accounting.

31. Must have a deep understanding of investment climate issues and excellent English drafting and writing skills.

32. Must also have strong diplomatic skills and experience with working with developing country governments.

33. Preferred Experience
    - Africa developing country experience with both Asian and Africa manufacturers
    - working for donor/development related programmes (not necessarily with DFID)

Financial Bid – 30 points

Bidders should provide a breakdown of total fee including consultant daily rates,, number of days, and logistics (travel, subsistence, and accommodation)

The cost will be scored based on the lowest bid in the tender.

Evaluation Criteria

6	Demonstrates a level of capability and capacity, based on evidence and experience, which provides a high degree of confidence of effective delivery of all of the relevant requirements in the Terms of Reference.
4	Demonstrates a level of capability and capacity, based on evidence and experience which provides an acceptable degree of confidence of effective delivery of most of the relevant requirements in the Terms of Reference.
2	Demonstrates a level of capability and capacity, based on evidence and experience, which provides a low degree of confidence of effective delivery of most of the relevant requirements in the Terms of Reference.
0	Failure to demonstrate capability and capacity, based on evidence and experience, to provide any level of confidence of delivery of any material relevant requirement in the Terms of Reference.

Background

Invest Africa

34. Invest Africa is a DFID funded programme to increase foreign direct investment in Manufacturing in certain East African countries including Uganda. This is in recognition of the fact that sustainable growth is only really achieved in countries that industrialise. Africa has been slow to industrialise and there is a significant opportunity to source industries moving from Asia and China. As China becomes a middle income country, wages are rising rapidly and the Chinese government is pro-actively encouraging some low value added industries to move to Africa as part of its “Belt and Road” project. Ethiopia has already shown initial success in attracting export industries, especially garments but also light assembly, to its industrial parks.

35. Invest Africa’s core objective is to support quality foreign direct investment into manufacturing sectors. The focus is to attract responsible investors (including in terms of labour, environmental etc) who can bring in long-term jobs (particularly for women and the youth) and facilitate economic transformation (including spill-over effects for the broader economy).

36. In order to support foreign investments in Uganda, Invest Africa will support improvements in Industrial parks and in the capacity of the Ugandan Investment Authority.

Ugandan Economy

37. Uganda has enjoyed nearly three decades of high economic growth, and significant reductions in poverty, despite a high rate of population growth and financial constraints to improving human development. Recent shocks were driven by a combination of i) drought conditions that prevailed over much of the country in FY16/17 ii) slower than planned delivery of public investments, and iii) falling demand for credit from the banking sector.

38. The Ministry of Finance and the Bank of Uganda have a strong record of sound macroeconomic management, but enhancing public investment management will be key to getting growth onto a higher trajectory. Failure to effectively implement approved investments could lead to a situation of growing debt rather than job creation and rising incomes.

39. Structural transformation is slow, with approximately 75% of the population working in agriculture, a sector that shows few signs of productivity improvement. Uganda’s age dependency ratio (at 94 per 100 of working age), whilst falling slightly, is significantly higher than Ghana (70), Kenya (80) and Rwanda (85).

40. Exports have been traditionally dominated by agriculture, with coffee remaining the largest export at $490million in FY16/17. However, remittances (around $1100million in 2016) and tourism (around $1400million in FY16/17) are now Uganda’s most important ‘exports’.

41. Investment has been traditionally dominated by Asia-Uganda conglomerates, with increasing investment flows from China, India, Turkey and Kenya. There are also a large number of Ugandan CEOs (e.g. Stanbic Bank). Oil revenue is estimated by GoU to commence in earnest in 2020.

UK SUPPORT

42. DFID work focuses on the delivery of Uganda National Development Plan II (2016-20), and UK priorities as set out in the 2017 DFID Economic Development Strategy. DFIDU supports the transition from a largely rural, agricultural and low productivity economy to one that is modern and productive. Strategic themes are Investment, Infrastructure and Institutions.

43. Infrastructure DFID support Trademark East Africa (TMEA) to strengthen trade facilitation and trade competitiveness as part of DFID's wider regional programme. The TMEA II (£25m in Uganda) project will focus on overcoming key trading barriers. DFID also provides funds for two strategic roads and participates in projects on cities, infrastructure project appraisal, and public private partnerships through the new DRUM (£21m) and Cities and Infrastructure for Growth (c. £20m in Uganda) programmes.

44. Investment The Northern Uganda agribusiness project provides financial and technical support to businesses, reaching 300,000 small businesses. This is stimulating investment and trade into poor regions. DFID Uganda is part of the Invest in Africa project, targeting foreign investment in the manufacturing sector. Along with the World Bank, International Finance Corporation and the Commonwealth Development Corporation DFID works on financial development for firms and households through Financial Sector Deepening (FSD) Africa and FSD Uganda.

45. Institutions The recently approved £21m 'DRUM' management programme will enhance public investment management performance, improve domestic revenue management and raise transparency on how tax is raised and spent to unlock growth. The UK is investing £50m on levering private sector investment into power for business in 17 small to medium-scale, renewable energy projects. The Energy Africa Compact is also catalysing the private sector to lead the solar household market.

46. DFIDU supports GoU and multilaterals to enable infrastructure funding to be better prioritised and place a greater role for private finance to deliver better public services.

47. DFID works closely across HMG to deliver on UK policy priorities on the trade and investment environment aiming for a level playing field for all. This unlocks a range of significant new commercial and investment opportunities.