

SUPPORTING INFORMAL ENTERPRISES TRANSITION TOWARDS SUSTAINABLE GROWTH AND FORMALISATION IN THE AFRICAN, CARIBBEAN AND PACIFIC REGIONS

1ST ANNUAL PROGRESS REPORT
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Africa
Sustainable
Finance Hub

PREFACE



The United Nations Development Programme (UNDP) in partnership with the International Labour Organization (ILO) is pleased to present the first-year progress report of the project on **Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalization in the Africa Caribbean and Pacific Regions**. This is an Organisation of African, Caribbean and Pacific (OACPS) Group of States initiative, financed by the European Union (EU) and the United Nations Development Programme (UNDP).

As noted in the report, during this first year of inception, the project achieved key milestones particularly the creation of well-grounded based research and programmatic foundations, the setting up of institutional governance mechanisms and effective mobilization of country partners, the solid beginning of field action especially in the outcome areas related to policy and regulatory reforms as well as access to finance for informal enterprises.

Some of specific results include:

- Completion of six countries baseline studies, multi-year workplans and budgets and a related global knowledge report.
- Mobilization of key Government Ministries, implementing partners and setting up of the project governance structure in the target countries.
- Engagement with leading financial intermediaries and fintech firms to design financial products and services targeting informal enterprises.
- Commencement of key activities to establish sectoral collective action platforms, mobilization of experts as well as organization of sensitization workshops in the target countries.

The above results were reached despite significant challenges due to the sudden change of project strategy early on 2023 which has led to the reduction of beneficiary countries from 6 to 3, halving its available resource package and causing implementation delays in the 3 finalist countries. To compensate for the time lost and fast-track implementation, we have been mobilizing and working with different stakeholders in the target countries. In this regard, we shall continue working closely with the EU Delegations, OACPS as well as National Governments.

I wish to reiterate our sincere gratitude to European Union for the generous funding and look forward to our continued collaboration and partnerships to support the informal enterprises transition towards sustainable growth and formalization in the ACP region.

Finally, I would like to thank all our partners countries institutions and expert consultants for the assistance rendered to the UNDP Africa Sustainable Finance Hub and ILO Teams during the project inception phase and count on their continued support to deepen collaboration to achieve faster and impactful results.

Dr Ayodele Odusola, PhD

**Resident Representative and Director
Africa Sustainable Finance Hub**

ACRONYMS

ASFH	African Sustainable Finance Hub
BAU	Balcaode Atendimento Unico (One-Stop-Shop)
CAR	Central African Republic
CO	Country Office
EDA	Ecosystem Development Approach
EU	European Union
EUD	European Union Delegation
EPAC	Economic Policy Analysis Centre
GDP	Gross Domestic Product
ILO	International Labour Organization
OACPS	Organisation of African, Caribbean and Pacific States
PMU	Project Management Unit
SMMEs	Small, Medium, and Micro Enterprises
UNDP	United Nations Development Programme

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EXECUTIVE SUMMARY

The Africa Sustainable Finance Hub (ASFH) is pleased to submit the first progress report of the **Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the African, Caribbean and Pacific Regions Project**, an Organisation of African, Caribbean and Pacific States (OACPS) initiative financed by the European Union (EU) and United Nations Development Programme (UNDP). The project is implemented by UNDP through ASFH and the International Labour Organization (ILO). This report covers the project implementation period from February 2022 to May 2023 in three target countries: Mozambique, Sierra Leone and Solomon Islands.

The informal economy is a dominant feature of the African, Caribbean and Pacific (ACP) countries, representing a significant share of their economies and employment. It accounts for between 50% and 80% of Gross Domestic Product (GDP) in sub-Saharan Africa, between 20% and 60% in the Caribbean Region and between 10% and 85% in the Pacific Region.

INFORMAL
ECONOMY
GDP:

50 - 80%
SUB-SAHARAN AFRICA

20 - 60%
CARIBBEAN REGION

10 - 85%
PACIFIC REGION

The project aims to unlock the potential of informal enterprises and resolve the challenges that hinder formalisation of the informal economy by: enabling and promoting favourable regulatory environments and relevant incentive and support schemes for businesses to formalize; facilitating access to finance as a pathway to transformation; strengthening and establishing collective action platforms in specific sub-sectors in the target countries; and promoting training to enhance the skills of informal enterprises and entrepreneurs and thus improve their productivity and transition towards formalisation.

During the inception phase, all project stakeholders discussed and agreed to revise the project strategy as a result of the evolving difficult political in some of the target countries, specifically Sudan, Haiti and Central African Republic. This change of strategy resulted in the reduction of project funds and target countries from six to three. It also disrupted the inception phase and slowed the resumption of project field implementation, thereby contributing to the low delivery rate.

During the initial period the project achieved the following key results:-

- 1) Completion of the inception phase resulted in the production of **baseline studies for six countries**, multi-year work plans and budgets.
- 2) Production of the Global Report summarizing the 6 country baseline studies as the 1st Project Knowledge Product.
- 3) Commencement of project field implementation in the three target countries after the approval of work plans by respective country steering committees.
- 4) Identification and engagement of key **government** ministries, implementing **partners** and setting up of the project **governance structures** as well as establishment of country level steering committees in the target countries.
- 5) Organization of sensitization workshops and drafting of **national action plans** for formalisation.
- 6) Selection of **10 financial intermediaries and fintech firms** to design financial products and services targeting the project beneficiaries.
- 7) Commencement of key activities towards the establishment of sectoral collective action platforms in two target countries: cross-border agricultural commercialization in Mozambique and commercialization of the cocoa sub-sector in Solomon Islands.

After setting up all enabling requirements and mobilizing key stakeholders, the project began full field implementation in the three target countries during the reporting period.

1 INTRODUCTION

1.1 CONTEXT

The Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the Africa, Caribbean and Pacific Regions project is an Organisation of African, Caribbean and Pacific (OACPS) Group of States initiative financed by the European Union (EU) and United Nations Development Programme (UNDP) and implemented by UNDP through the ASFH and the International Labour Organization (ILO).

The main objective of the project is to facilitate informal enterprise transition and formalisation through:

- creating an enabling regulatory environment
- facilitating access to finance
- building capacity among intermediaries and informal enterprises
- fostering collective and mutually reinforcing actions and innovations to address gaps in selected sectors in the target countries, and
- disseminating knowledge and experience at the regional and global level.

This is a four-year project implemented in Mozambique, Sierra Leone, and the Solomon Islands. The project intervenes at the following levels:

- **Macro level** – by developing and supporting implementation of favourable policy and regulatory conditions and designing innovative incentive and support schemes for informal enterprises.
- **Meso level** – by supporting key intermediaries in the informal sector ecosystem, in particular aggregators (cooperatives and incubators) and financial intermediaries, to create innovative services and products that will stimulate access to market, financial services and formalisation of the informal enterprises.
- **Micro level** – by addressing the challenges of informal firms pertaining to lack of awareness and capacity in terms of business skills, financial and digital literacy to improve productivity and access to finance and markets.

The Global Report findings indicate that shows that the informal economy^[1], on average, accounts for 41% of Gross Domestic Product (GDP) in all African, Caribbean and Pacific (ACP) countries and between 25% and 65% in sub-Saharan Africa. Employment in the informal sector was very high across the six countries in the baseline study – Mozambique (95.7%), Haiti (91.5%), Sudan (87%), Sierra Leone (86%) and Solomon Islands (75%) – accounting for between 30% and 90% of total non-agricultural employment.

The informal sector is a major source of employment, including entry level jobs, micro small entrepreneurs in the project target countries where the large and growing working-age population outstrips the pace of job creation in the formal sector.

^[1] Informal economy as generally defined by ILO Recommendation 204 (2015), refers to all economic activities (by workers and economic units) that are, in law and in practice, not supported or inadequately supported by formal provisions or arrangements.

In addition, De Soto (1989) defines informal economy as a collection of firms, workers, and activities that operate outside the legal and regulatory frameworks thereby avoiding taxation and regulation without benefiting from state protection and services. Although they operate within the formal reach of the law, the laws are not applied or with limited enforcement. However, definition could include persons working in the formal sector but have informal employment.

On the other hand, Feige (2005) defines informal economy as comprising “economic activities that circumvent costs and are excluded from the benefits and rights incorporated in laws and administrative rules covering property relationships, commercial licensing, labour contracts, torts, financial credits, and social systems.”

Typical informal activities found in the targeted countries include unregistered businesses, self-employed manufacturers, temporary street vendors and casual retailers. The sector is characterized by low entry requirements, low capital investment, family ownership, labour intensive, adapted technology, and informal processes for acquiring skills.



African woman working in the informal sector

The target countries baseline studies show that growth in the informal sector is influenced by several factors, including:

- Slow pace of economic growth resulting in limited job creation in the formal sector.
- Increased urbanisation.
- Promotion of micro, small and medium enterprises (MSMEs) by governments as alternative sources of employment.
- Informalisation of formal businesses.
- Regulatory barriers of entry into the formal sector such as heavy regulations and tax burdens.
- Inadequate coordination within and outside government, and weak government institutions, characterized by high-level corruption and limited capacity.
- Increasing demand for low-cost goods and services because of poverty.
- Protracted conflicts (like in Central African Republic (CAR), Haiti, Sierra Leone and Sudan).
- Culture and traditions that rely on traditional, ethnic, and kinship relations and communal networks to govern rural economic activities, especially in agriculture, forestry and extractive sector (e.g. Solomon Islands, Sudan and CAR).
- Preponderance of subsistence agricultural sector and low human capital development of the populace tend to perpetuate informality in countries like Sierra Leone, CAR, and Solomon Islands.
- Limited access to finance.
- Poor business environment including costly regulations and unsuccessful policy interventions, high costs, poor public services, unpredictable cost of corruption, complicated and discretionary regulations, and low costs to become informal.
- Low productivity as a result of limited technical and management capacity.

[2] <https://www.ilo.org/global/topics/dw4sd/themes/informal-economy/lang-en/index.htm>
 [3] Ibid

1.2 DEVELOPMENT CHALLENGES

The informal sector is a major source of income and employment, as well as a principal provider of consumer goods and services to households with low income. It provides employment of last resort and serves market segments that the formal sector often neglects (Mbaye, et al, 2020; Jones and Manhique, 2021). The informal economy comprises more than half of the global labour force and more than 90% of micro and small enterprises globally.

However, the sector is characterized by low productivity, low investment, weak competitiveness, and unstable and unsustainable businesses. Informal workers are often paid less than those in the formal sector. Employment in the informal sector is characterised by lack of formal contracts, absence of regulatory and social protection, with workers often having limited skills and low level of education, and earning low incomes.

In terms of gender distribution, informal employment is generally a larger source of employment for women than men in the developing world. In sub-Saharan Africa, 84% of women and 63% of men engaged in non-agricultural work are informally employed ^[3].

Limited growth of the economy in terms of production and creation of employment opportunities, poor quality products and services, limited tax base, widening gender gaps, and promotion of child labour and bonded labour are the development challenges that the informal economy poses in the target countries.

Given the divergence and complexity, it's difficult to measure, monitor and effectively address the needs and challenges of the informal sector in the target countries. The sector manifests itself in a variety of forms across and within countries. Supporting this sector will therefore require a costly and comprehensive response from all stakeholders, including the government, social partners, private sector, donors, civil society organizations and other development actors.

Governments in the target countries are not able to sufficiently collect taxes from informal businesses, given the characteristics of the sector and in turn are unable to finance the provision of good public services. The ripple effect is that the governments then increase tax rates for the formal businesses, thereby creating an additional incentive to be informal.

Although the sector creates jobs and generates income, it's too limited to contribute to transformational impact on the lives of poor people working in it in the target countries. The informal enterprises and their workers lack access to social security, finance, viable markets and technology, and are therefore condemned to be small and non-competitive.

In all the target countries, the informal sector is increasingly recognized by the governments as an alternative option to the growing unemployment, particularly among the youth and the poor. Governments in these countries are putting in place comprehensive and integrated strategies that will incentivize business/enterprise growth to contribute and stimulate job creation and income generation.

The informal enterprises project, through its different outputs, will support governments in the target beneficiary countries to design, refine and strengthen policy frameworks, strategies and incentives, as well as support intermediaries such as financial institutions to promote innovative financial products tailored to the unique characteristics and needs of different categories of informal enterprises.

2 PROJECT PROGRESS AND KEY ACHIEVEMENTS

2.1 PROJECT INCEPTION PHASE









The project began with the inception phase that took eight months, from February to September 2022. Activities during this phase included establishing a project management unit, recruiting project staff, conducting the baseline study in six countries, adaptation of project activities in the target countries, mobilization of key stakeholders, and establishing a project governance structure including country coordination (steering) committees. The baseline study was conducted to inform UNDP and ILO about the status of the informal sector in the target countries and make recommendations for interventions based on the outputs and to set a benchmark against which progress could be assessed. It also aimed to support the defining of the project's key deliverables and activities.

(i) Conducting baseline studies in the six countries

The project developed terms of reference (TORs) in Feb 2022 and five consulting firms submitted proposals to conduct the baseline study. Based on the selection criteria, Economic Policy Analysis Centre (EPAC) was contracted to undertake the baseline studies in the six target countries: Solomon Islands, CAR, Mozambique, Sudan, Haiti and Sierra Leone. The study started in May 2022 and the field work was completed in July of the same year. EPAC then held validation workshops in five of the six countries to refine the findings as well as to validate the reports.

Table 1: Validation workshops and number of participants

COUNTRY	NUMBER OF PARTICIPANTS
 Sierra Leone	57
 Solomon Islands	36
 Central African Republic	54
 Sudan	28
 Mozambique	70
 Haiti	0
TOTAL	245

The participants of the validation workshops included key ecosystem stakeholders such as informal sector actors, government institutions, social sector partners, development partners, financial intermediaries, and academics. The workshop enabled each country's stakeholders to discuss the baseline findings, identify key priorities and select a specific sector for targeted intervention. These meetings revealed a high level of engagement and ownership by the governments and support of the European Union Delegation (EUD) as well as OACPS to the project.

Due to the security situation, the planned validation workshop in Haiti did not take place despite several attempts made by UNDP to organise the workshop and mobilise stakeholders. In October 2022, the project attempted to organize a virtual meeting but even this did not materialise due to poor internet connection.







The final six countries' and global baseline reports were submitted to the EU and OACPS in January 2023 and May 2023, respectively.



(ii) Country project steering committees

The project established country project coordination (steering) committees. The member selection process required in-country consultations with several stakeholders from different organisations whose mandate is supporting the transformation of the informal sector. Table 2 details the composition of the in-country steering committees.

Table 2: Country project steering committees

COUNTRY	NUMBER OF PARTICIPANTS	NUMBER OF WOMEN IN COMMITTEE
 Sierra Leone	14	0
 Solomon Islands	15	6
 Central African Republic*	5	0
 Sudan	0	0
 Mozambique	22	9
 Haiti	5 (proposed)	0
TOTAL	55	15

CAR established an informal sector working group composed of 25 people, with the executive group forming the project steering committee. By the time of the change of project strategy, Sudan had not concluded the selection of the steering committee members.



Participants of Sierra Leone Steering Committee meeting

The country steering committees were composed of members from the ministries of trade and commerce, industry, cooperatives/trade unions, employer organisations, chambers of commerce and at least one member from the financial sector. Government representatives chaired the committees, which demonstrated the level of commitment and interest of the different national governments to the project, more so since the project outputs and objectives are aligned to the respective national development strategies. The target governments recognised the contribution the informal economy project would make given the high levels informal economies and the role they play in providing employment opportunities to citizens.

Based on the table 2, its evident that there is need to engage and involve women at the decision making table. The project will hence have to make deliberate approaches to ensure women inclusivity during project implementation.

The three target countries supported to implement the project all held their first steering committee meetings. The project description of action, work plans and budgets were presented and approved unanimously by the respective committee members.

In CAR, the government expressed its commitment and understanding of the importance of the project by establishing an informal economy agency to support the informal sector to address the challenges its facing and which are hindering its competitiveness.



Mozambique Steering committee meeting in March 2023

(iii) Global Project Steering Committee

The terms of reference for the Global Project Steering Committee (refer to Annex I) were developed, reviewed and approved by the EU. The key role of this committee is to provide overall strategic direction and guidance to the project, including exploring new areas of collaboration and interventions. The committee is made up of two representatives each from the three target countries, two members from UNDP's African Sustainable Finance Hub and a member each from the EU and OACPS. The project manager from the Project Management Unit (PMU) is the secretary of this committee.

2.2 PROJECT OUTPUTS



This section summarizes progresses made under each project output.

OUTPUT 1: Integrated policy framework for formalisation of informal enterprises developed and promoted

The project recognises that addressing regulatory frameworks and policies presents a great opportunity for transformation and formalisation. It therefore provides technical assistance to national governments in the three target countries by conducting stakeholder consultations based on the identified regulatory frameworks in the baseline study, which results in the production of a formalisation agenda that includes a strategy for reforms and other actions the government can take to strengthen formalisation and incentive schemes.

1.1 Technical assistance to governments to create policies and take actions to foster formalisation

In Mozambique, a sensitization workshop was organized among national stakeholders (on 26 May 2023) to discuss the regulatory issues, challenges, drivers, and opportunities for the informal sector. The meeting was attended by 40 people from the government and private sector, including the Ministry of Labor and Social Security, the Secretary of Youth and Employment, National Institute of Statistics, Central Bank of Mozambique, Tax Authority of Mozambique, BAU (one-stop shop for business registration and licensing), Institute for the Promotion of Small and Medium Enterprises, Observatory of the Rural Environment, EU Delegation to Mozambique, and representatives from the informal sector, among others. The objective of this first discussion was to support the elaboration of the national action plan for the formalisation of informal enterprises in general and those in the agricultural commercialization sector in particular.

In the Solomon Islands, a sensitization workshop was organized on 22 March 2023 for national stakeholders as part of a wider national ILO-UNDP event on employment, informality and social protection. The workshop elaborated on suitable incentive and support schemes and identified critical factors that would determine success or failure of such schemes. A detailed workshop report was developed and circulated ([See Link](#)). In June 2023, stakeholder consultations to identify priorities for a national action plan on enterprise formalisation were to be organized. The draft action plan was to be presented and discussed with stakeholders during a half-day pre-validation meeting in Honiara on 13 July 2023. Findings from this meeting would be incorporated in the draft action plan to be presented at a high-level national validation event. The validated action plan will provide the framework for the identification of incentive and support schemes for formalisation.

In Sierra Leone, a national consultant was contracted to develop an action plan on enterprise formalisation. Consultations with national stakeholders are currently underway. The draft action plan is expected to be available by September 2023.

1.2 Technical assistance to governments to identify suitable incentives and support schemes for formalisation

The implementation of this activity shall follow the approval of respective countries' action plans, which will determine the incentive and support schemes. The validated action plans will provide the framework for the identification of incentives and support schemes for formalisation. Implementation of this activity is planned for the next reporting period.

1.3 Awareness and advocacy campaigns

Advocacy campaigns will be carried out to promote the identified incentive schemes and the benefits associated with formalisation of informal enterprises in each country. This activity will follow the implementation of the above initiatives and to be implemented in the next reporting period.

OUTPUT 2:**New financial services developed and promoted and capitalization opportunities for financial intermediaries expanded**

This project will address the challenge of limited access to financial services and products as a pathway to formalisation. This is one of the key obstacles affecting informal enterprises' productivity and growth.

Limited access to financial services and products is mainly due to the inability of informal enterprises and entrepreneurs to mutually understand the loan terms and conditions of the formal financial services providers, including high loan processing fees, high interest rates, unaffordable collateral requirements often over 100% of the loan amount, and unrealistic repayment periods that do not match the business cycles or meet the capital requirements.

The financial markets lack depth and breadth in terms of reach and products and interest spreads. The COVID-19 pandemic and the current economic crisis due to the Russia-Ukraine conflict have exacerbated SMMEs' ability to meet loan repayments, resulting in relatively high non-performing loans in some sectors. This, coupled with the lack of knowledge, high transactional costs and high perceived level of risks associated with MSMEs, limited capital investment and consequently low profit margins, have reduced the financial institutions' risk appetite to lend to small businesses and informal enterprises.

In all the three target countries, the financial sectors are characterised by large banks whose target clients are large and medium enterprises. For instance, in Mozambique, financial services are highly concentrated, with only three large banks out of 40 controlling over 70% of all financial assets (including deposits and loans)^[1]. Moreover, only 30% of the adult population have bank accounts in Mozambique, 25.6% in Solomon Islands and 20% in Sierra Leone^[2].

On the other hand, there is evidence the financial intermediaries are interested in diversifying their portfolios, however, some of them lack sufficient management and technical capacity to design/develop tailor-made products to meet the needs of specific sectors, such as agriculture, where a significant number of informal enterprises are operating. This will require a deliberate strategy including incentives and de-risking measures to identify and adapt financial services/products. Given the low supply of financial services in the countries and the high demand from enterprises, financial intermediaries hold the leverage to influence business growth, provide adequate capital to informal entrepreneurs and consequently promote formalisation.

In addition, the products and services offered by financial institutions can further promote formalization of enterprises. For example, by offering a payment system platform, microenterprises can upgrade their operations and process employees' payroll formally; graduation lending schemes, where eligibility conditions for larger loans are related to enterprise status, is a way to incentivize formalisation; another incentive is to provide additional benefits to formal enterprises, such as free insurance protection.

The baseline study revealed that in all the target countries, there were several initiatives established in the financial sectors to propel the development of the financial market. These included government investments in different projects, existence of national strategies for financial inclusion, regulatory frameworks and existence of financial intermediators, and fintech and informal financing mechanisms. Although these structures have not translated into increased access of financial services to the informal economy, the financial institutions present potential opportunities to increase sustainable financial services.

This project, will deliberately support access to financial services that respond to the financial needs of informal enterprises as a key enabler of formalisation in the three target countries. This will promote incentive and support gradual transition to formality

2.1. Technical support to financial intermediaries in the identification and adoption of innovative financial services models/products for informal enterprises, with a particular focus on digital services

The project builds capacity of financial intermediaries and fintech firms to develop, adopt and take to scale financial products and services adapted to the needs of the informal sector and incentivising their transition to formality. In addition, use of digital tools will be leveraged to increase the financial intermediaries' ability to manage the risks associated with serving informal businesses, address the challenge of high costs and expand and deepen outreach to the informal sector.

In this regard, during the reporting period, the project launched calls two for proposals, Annex 2, in Sierra Leone and Solomon Islands to identify financial intermediaries and fintech firms to refine existing financial products to serve the informal enterprises and entrepreneurs and increase uptake and usage of financial services, therefore promoting formalisation. The project will provide technical expertise to the selected applications/financial intermediaries in the next reporting period. In Sierra Leone, a call for experts was launched through UNDP procurement platforms. In Mozambique and Solomon Islands this activity will be implemented from quarter three of 2023.





PROGRESS OF THE OUTPUT BY COUNTRY

SOLOMON ISLANDS



Four institutions submitted proposals to support financial product refinement as indicated in Table 3. The project is poised to start the due diligence process and contracting of selected financial intermediaries in the next reporting period.

Table 3: List of financial intermediaries and proposed financial products in Solomon Islands

FINANCIAL INTERMEDIARY	FINANCIAL PRODUCT
 Telekom Company Limited (Our Telekom)	Development of payment solution
 Solomon Islands National Provident Fund (SINPF)	TA support to scale up YOUSave product, which is a pension saving scheme for the informal enterprises. Review of the project support structure including management, costing, current marketing strategies, target clients etc will be done to inform the scaling up of the YOUSave product
 Development Bank of Solomon Islands (DBSI)	Scale up of MSME Credit Line – Women and MSME Credit Line – Youth. This is a grant to reach to women and youth. However there has been a low uptake of the loan products, hence need for scaling the product. Need for financial literacy training
 WARA (Non-governmental organisation)	Develop and promote top-up loans for savings groups, financial literacy and business development

Two institutions have been selected






In the last three months, efforts were made to review the proposals with the above partners, but this has taken more time than was planned. By the end of the reporting period, the project was ready with only one proposal (from Our Telekom) to start the contracting process. The project will continue its effort to mobilize more financial intermediaries to support access to finance for informal enterprises.

SIERRA LEONE



There was a good response to the call for proposals in Sierra Leone with 13 financial intermediaries submitting applications. The project set up an evaluation committee composed of UNDP, ILO and EUD representatives. Based on the evaluation criteria, including financial products and services feasibility, and institutional capacity to develop, implement and scale up the products, six proposals were selected as shown in Table 4.

Table 4: List of financial intermediaries and proposed financial products in Sierra Leone

FINANCIAL INTERMEDIARY	FINANCIAL PRODUCT
 LAPO Microfinance Company (SL) Limited	Refine its agribusiness loan product to reach a variety of informal enterprises in the agriculture value chain, including smallholder farmers
 EcoBank Microfinance Sierra Leone Ltd	Mobile application with the aim to provide an effective tracking and reporting service to MSMEs tailored to their specific needs
 ILCUF Ltd (SL), and the National Cooperative Credit Union Association (NACCUA)	Agricultural loans primarily to target women clients
 Sierra Leone Insurance Company (SLICO)	Micro insurance product with a savings feature through Group Life Assurance policy
Quick and Reliable Microfinance	Agriculture loan product that will target various agriculture value chains
 SALONE TRACE	Cloud based, offline-capable, traceability & payment system

MOZAMBIQUE



The UNDP will implement this project in partnership with Financial Sector Deepening Mozambique (FSDMOC). FSDMOC, a specialized financial consulting outlet, provides one-on-one technical support to the financial intermediaries to refine, pilot and scale financial products and services targeting informal enterprises. The partnerships' scope of work was defined and reflected in the terms of reference (refer to Annex 3). It was reviewed and endorsed by EUD. FSDMOC submitted its proposal with an implementation approach, timeline and budget, which was also reviewed and submitted to the EUD in Mozambique. The contracting process shall be concluded in the third quarter of 2023 and implementation will start thereafter.

2.2. Operational support to financial intermediaries and fintech firms to develop and pilot new digital financial services for informal enterprises

UNDP launched a call for proposals (refer to Annex 4) under an innovation challenge of up to USD 150,000 in Solomon Islands and Sierra Leone to support up to four financial intermediaries (commercial banks, insurers, credit unions, microfinance institutions, community banks, and financial services associations) as well as fintech firms. Each of the four grants are meant to enable the applicants to design, pilot and scale up digital financial products/services targeted at informal enterprises and entrepreneurs as a pathway to formalisation.

UNDP target country offices advertised the call for innovation challenge grants targeting registered entities with at least three years of operations in the country, with long-term viability and financially sustainable solutions. There was preference for firms with prior product development experience a replicable idea that is built on technologies or methods adaptable to various contexts, as well as to other existing financial solutions to maximize impact and value proposition for the target group. The status of the progress made in each country is as follows.

PROGRESS OF THE OUTPUT BY COUNTRY

SOLOMON ISLANDS





In Solomon Islands, the project launched the innovation challenge with plans to finalize the selection, due diligence and contracting process in the third quarter of 2023. In order, to ensure effective response and avoid delays, the project has organised a meeting with potential applicants to sensitize them.

SIERRA LEONE



Following the launch of the innovation challenge, the UNDP Sierra Leone country office received nine proposals in response to the advertisement and two were recommended by the technical evaluation panel since they met the technical requirements.

Table 5: List of institutions and proposed digital financial services to be designed in Sierra Leone

FINANCIAL INTERMEDIARY*	DIGITAL FINANCIAL PRODUCT
Apex Bank 	Sorbeh trade and financial service platform promotes a digital enabled system that integrates a range of digital financial services in a single market platform
LAPO Microfinance Company 	Local money transfer product/service platform that will enable peer-to-peer transfers and cashing out at any LAPO branch offices and agents

**These financial intermediaries are in the due diligence process*

2.3. Identification of potential sources of funding and blended finance for financial intermediaries and fintech enterprises

In Solomon Islands and Sierra Leone, terms of reference (refer to Annex 5) have been developed and advertised to identify experts to support the identification of potential sources of funding and blended finance for financial intermediaries and fintech firms. The calls for expressions of interest was launched in Solomon Islands, however, it did not attract sufficient experts to conduct the assignment. The call has been relaunched.



Challenges encountered and mitigation measures taken

Due to the poor response to the calls for expression of interest by partners as well experts in Solomon Islands, UNDP had to extend the calls by one month. This delayed the start of the contracting process and consequently project implementation. The project officials made visits to potential partners to discuss the call.



Lesson learnt

In the Solomon Islands, calls for proposals in the media do not attract sufficient responses. Institutional visits and in-person meetings are more effective. Thus, UNDP is planning to hold meetings for all potential partners after the launch of the calls and to keep the call open so that proposals are received on rolling basis for at least three months.

In Sierra Leone, the project reached out to the potential partners through different networks, including the micro finance association, bankers' association and chamber of commerce, among others. Moreover, regular follow-ups with these institutions were made to ensure receipt of adequate applications.

The baseline survey and discussions with crucial Solomon Islands and Sierra Leone stakeholders revealed that informal enterprises mainly use informal financing mechanisms. However, this was not included in the project as an area of support. The project will need to investigate and learn more about these existing informal financing mechanisms to assess their feasibility for inclusion in the project.

OUTPUT 3:

Capacities of informal sector intermediaries, aggregators and government strengthened, and use of digital technology promoted

The low level of education and limited skills across the three countries was identified as one of the drivers for informality. In Haiti, for instance, about 93% of youth that passed the national examination could not enter tertiary institutions without requisite technical and managerial skills to operate enterprises. In Mozambique, about 86.4% of informal enterprise workers had primary education or below. In Sierra Leone, as of 2015, about 75% of employed youth were categorized as undereducated for the jobs they were doing while 56.4% of young women and 39% of young men had no schooling or training or dropped out before graduation (ILO, 2017).

The project will provide capacity building support directly to the informal enterprises as well as promote training of trainers (ToTs) to the institutions that support the informal enterprises as a sustainable approach to training in the informal enterprises. This effort will be carried out to develop informal firms' business management skills, financial and digital literacy.

3.1. Building capacity among intermediaries for improved business development services (business management, financial literacy, market access, entrepreneurship)

Preparation to conduct the training of trainers (ToTs) is underway. In Solomon Islands, a ToT on entrepreneurship, business management and digital skills is planned for September-October 2023; partner organizations and participants are being identified. Similar training shall be organized in Mozambique in the next reporting period.

3.2. Building capacity among informal enterprises to improve productivity, market access, financial literacy, business management and entrepreneurial skills

Direct training of informal enterprises to improve productivity, market access, financial literacy, business management and entrepreneurial skills will follow the ToTs as per the project description of action in Mozambique and Solomon Islands.

3.3. Provision of innovation challenge awards to incubators and accelerators to support growth and scaling-up of firms developing digital innovations benefiting the informal sector (special focus on solutions addressing the impact of Covid-19)

The innovation challenge awards shall be provided to accelerators and incubators to have a catalytic role in enhancing the capacity of the incubators to detect and develop early-stage innovators. The implementation of this activity will commence in the next reporting period in the target countries.

3.4. Training of government statistics agencies in informal sector data collection

In Mozambique, the project financed a session on informality as part of a three-day ILO training on data production for the labour market information system with 30 participants from the Labour Market Observatory, the government statistics agency and other government agencies. The training strengthened the capacity of these organizations to collect and provide reliable information on the country's labour market. Participants learned about the importance of informality indicators and how their correct compilation contributes towards the understanding of the informality situation in the country, providing relevant information to policymakers.

In the Solomon Islands we have been exploring opportunities to strengthen capacities of national stakeholders to collect data on the informal sector while seeking synergies with similar initiatives in the sub-region.

OUTPUT 4: Sectoral collective action platforms established and operational

Strengthening or establishing collective platforms or structures aims to unlock sectoral level bottlenecks through a tailored, stakeholder-led approach. It further aims to provide a collaborative field to piloting policy reform affecting the identified sector, and promote incentive schemes, skills training and financial products as pathways to formalisation. UNDP will employ the use of the Ecosystem Development Approach (EDA)⁴, which will reinforce different actions to address challenges/constraints of a specific subsector by mobilising sector actors, their capacities in terms of enterprise development and financial resources, promote innovative solutions, work through partnerships to address the constraints, and exploit opportunities to spur the growth of individual entrepreneurs and the sector as at large.

This project has identified specific sectors and support mutually reinforcing actions that will result in increased partnerships and win-win for all the stakeholders to yield benefits that will propel the growth of the sector and result in formalisation. UNDP plans to promote strategies that will foster collaboration to address the specific gaps of the selected informal sector concerning the required information, incentives, investments and implementation support measures.

4.1 Establishment of collective sectoral action platforms in the target countries and providing operational support

During the reporting period, two sectors were identified to establish/ strength sectoral action platforms. In Mozambique, cross-border agricultural commercialization was selected given its transformative potential and contribution at the household and enterprise levels. The sub-sector contributing to the broad development as well as economic and market integration in the country, raising living standards and addressing food security concerns as recognised in the government's five-year plan for 2020-2024 and other relevant policy documents and studies.

In the Solomon Islands, the commercialization of the cocoa sector was selected based on the critical role it plays in promoting economic diversification and industrialisation, with smallholders and processors in rural areas benefitting from 77% of gross margins from cocoa, resulting in approximately SBD70 million in 2020, as well as generating revenues for the government.

4.2 Technical and research support to develop and implement sectoral action platform collective action plans

The recruitment of the technical experts to support the implementation of this output in both countries (Mozambique and Solomon Islands) has been completed. The deliverables in this activity include the design of the sectoral collective platform and related action plans for implementation. (refer to Annex 6)

[4] UNDP Ecosystem Development Approach is a systemic and integrated approach to engaging the private sector in achieving the Sustainable Development Goals. It's a veritable instrument to co-create and co-own development solutions in a more inclusive and sustainable manner. EDA has four key pillars: information, investment, incentives, and implementation support (the 4Is).

Key expectations from this technical support include:

- Create/design or strengthen platform structures that will demonstrate/build trust and value proposition for the different stakeholders and contribute to increased productivity, profitability, and competitiveness in the identified sector.
- Develop a collective action workplan based on identified gaps and proposed solution in consultation with key stakeholders.
- Develop a monitoring and evaluation framework for the platform.
- Identify and mobilise key stakeholders and strengthen their capacity, based on the EDA approach, to address their constraints and provide capacity building to the platform facilitator. (refer to Annex 7)

4.3. Provision of ecosystem development grants to aggregators to address barriers and gaps identified in the mapping

After the establishment of the collective action platforms, ecosystem development grants will be provided to selected partners in the two target countries based on the mapping report of the specific sector and will be implemented in the next reporting period.

OUTPUT 5:

Regional exchange of knowledge, technology, and resources throughout the ACP countries enhanced

5.1. Creation of a policy and operational toolkit to promote formalisation of the informal sector targeting the ACP region based on lessons learned from the implementation of the project

The knowledge and know-how developed throughout the implementation of this project will capture the good practices and interplay of cross-cutting interventions based on the project outputs.

Although as per the project description of action this activity was planned in the year of the project period, UNDP recommends that knowledge generated from this activity will be disseminated in the next reporting period with the following activities.

- Organize quarterly meetings for the target countries to exchange lessons learned during the project implementation.
- Capture lessons learned from the target countries in the periodic reports and workshops with the aim of sharing learning across all ACP countries.
- Toolkits and training materials will be developed on a rolling basis.
- Use the project website as a source of information on informality.

5.2 Dissemination of knowledge through an inter-regional training workshop in the ACP countries

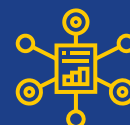
The project has produced the Global Report based on the baseline studies from the six target countries as its first knowledge product. The report shall be shared and disseminated within target countries and ACP community at large to create common understanding on the status of informal economy, generate interest in the topic and for further research in this area.

3 PROGRESS BASED ON RESULTS FRAMEWORK AS OF MAY 2023

The implementation strategy of the informal enterprise project started with the inception phase that took eight months – from February to September 2022 – included conducting the baseline study. UNDP through ASFH agreed with the donor that the project implementation would commence upon completion of the inception phase. However, in October 2022, due to the insecurity in Sudan, Haiti, and the CAR, the EU and UNDP agreed to revise the project scope by excluding these countries from the informal economy project. As a result, UNDP, in partnership with the EU and the Organization of African, Caribbean, and Pacific States (OACPS), began negotiations on the modalities of this revised strategy and the management of the three excluded countries. These negotiations concluded in December 2023.

The project therefore started field implementation of its activities in January 2023. The project results is based on five months of implementation focused settling up the project fundamentals that are key to delivering the project results.

3.1 RESULTS FRAMEWORK



The following table 6 presents the results framework.

Table 6: Results framework

Output	Output indicator	Baseline 2021	Year 1 2022/ 2023	Final results	Project status	Comments
Output 1: Integrated policy framework for formalisation of informal enterprises developed and promoted	1.1. Number of national agenda documents validated and published	0	3	3	2	The drafting of national action plan/roadmap for formalisation is underway in Solomon Islands and Sierra Leone
	1.2. Number of implementation guidance notes for incentive schemes produced	0	3	3	0	Will follow the identification of incentive schemes
	1.3. Number of incentive schemes piloted	0	0	6	0	Planned for next reporting period
	1.4. Number of multimedia communication campaigns on national formalisation agenda and formalisation incentive schemes conducted	0	0	3	0	Planned for next reporting period
	1.5. Number of national public and academic research projects on the informal sector supported	0	15	15	0	Planned for next reporting period

Output	Output indicator	Baseline 2021	Year 1 2022/ 2023	Final results	Project status	Comments
Output 2: New financial services developed and promoted and capitalization opportunities for financial intermediaries expanded	2.1. Number of financial intermediaries supported to identify and adopt new products and services for the informal sector	0	12	24	8	Identified 6 in Sierra Leone and 2 in Solomon Islands. Mozambique is in the process of contracting FSDMO
	2.2. Number of financial products and services piloted at level of ecosystem platforms	0	0	12	0	Upon completion of development of the products
	2.3. Number of financial intermediaries and fintech companies provided awards and technical support to develop and scale up their innovations	0	6	12	2	In Sierra Leone two intermediaries identified. Launched TORs in Mozambique and Solomon Islands and implementation planned for next year
	2.4. Number of communication campaigns to raise awareness on digital financial services conducted	0	1	3	0	Upon finalization of above products/services
	2.5. Number of investment briefs and investor directory documents produced	0	0	3	0	Plans to launch TOR next year.
	2.6. Number of matchmaking events organized	0	3	3	0	Planned after the completion of above activities
Output 3: Capacities of informal sector intermediaries, aggregators and government strengthened, and use of digital technology promoted	3.1. Number of trainers trained on entrepreneurship (disaggregated by gender)	0	100	200	0	Preparation underway. Implementation to start in the next reporting period
	3.2 Number of trainers trained on financial literacy (disaggregated by gender)	0	100	200	0	Preparation underway. Implementation to start in the next reporting period
	3.3 Number of trainers trained on digital literacy	0	100	200	0	Preparation underway. Implementation to start in the next reporting period
	3.4. Number of trainers trained on business development services and sectoral issues	0	100	200	0	Preparation underway. Implementation to start in the next reporting period
	3.5. Number of trainers trained on business development services	0	100	200	0	Preparation underway. Implementation to start in the next reporting period
	3.6 Number of informal firms trained on entrepreneurship (disaggregated by gender)	0	600	1200	0	This activity shall follow the provision of ToTs
	3.7 Number of informal firms trained on financial literacy (disaggregated by gender)	0	600	1200	0	This activity shall follow the provision of ToTs
	3.8. Number of informal firms trained on digital literacy (disaggregated by gender)	0	600	1200	0	This activity shall follow the provision of ToTs
	3.9. Number informal firms trained on business development services (disaggregated by gender)	0	600	1200	0	This activity shall follow the provision of ToTs
	3.10. Number of incubators and accelerators awarded an innovation challenge award and provided technical support for innovation development and scaling up	0	9	15	0	This activity shall follow the provision of ToTs

Output	Output indicator	Baseline 2021	Year 1 2022/ 2023	Final results	Project status	Comments
	3.11. Number of government agencies trained on informal sector data collection	0	9	18	1	Training provided on data production and labour market information systems in Mozambique
Output 4: Sectoral collective action platforms established and operational	4.1. Number of collective action platforms action plan established and validated	2	0	2	2	Specific sector for collective action platforms identified. Implementation to commence next year
	4.2. Number of ecosystem grants for the implementation of the action plan provided	0	10	20	0	
Output 5: Regional exchange of knowledge, technology, and resources throughout the ACP countries enhanced	5.1. Number of policy operational toolkits and guidance notes developed (consolidated)	0	0	1	0	Planned for year 4
	5.2. Number of handbooks on growth and formalisation produced (Consolidated)	0	0	1	0	Planned for year 4
	5.3. Number of ACP regions stakeholders participating in the informal sector	0	0	3	0	Planned for year 4
	5.4. Number of participants in ACP inter-regional summits	0	0	1	0	Planned for year 4
	5.5. Number of online platforms and repository of resources on growth and formalisation of informal firms in ACP countries established and functional	0	0	1	0	Planned for year 4

3.2 IMPLEMENTATION OF THE VISIBILITY AND COMMUNICATION STRATEGY



The project will facilitate South-South and Triangular Cooperation and cross-country learning from the project outputs to the entire OACPS. This activity compliments Output 5 since its focus is mainly dissemination of lessons learnt and good practises on formalisation. The project plans to use online publications, regional workshops, trainings and other forums.

A project website will provide visibility on the implementation milestones reached. There will also be joint press releases and statements, communiqués, video clips, photos, abridged versions of documentaries, policy documents, reports, and other specialist publications.

4 PROJECT MANAGEMENT

The project is managed by the UNDP through ASFH under the private sector unit. Given the multi-country scope of the project, a lean PMU was established comprising of three staff based in Pretoria, South Africa, supported by three national project coordinators based in the three countries. The national coordinators facilitate the country-level partnerships and coordination with governments, private sector and other stakeholders.

4.1 PROJECT COORDINATION



Effective management of the project has been realised through the established coordination arrangements at Project management unit (PMU), country offices and donor and implementing partners (UNDP through the ASFH and ILO). The key achievements include:

1. Project coordination meeting

- During the year, the PMU held several coordination and project update meetings with the EU and OACPs. In May, the EU and OACPs advised PMU to change the meeting frequency to every two months.
- The PMU holds weekly meetings with the three target country offices and ILO to ensure effective planning and management and follow up of the project activities. This coordination is important for addressing challenges encountered.
- PMU has been organizing weekly coordination meetings with target countries as well as ILO.

2. Partnership and engagement at country level

- The EUD in the target country offices have been engaged in the project implementation.
- In the Solomon Islands, PMU provides monthly updates and meets every two months.
- In Sierra Leone, project team meets with EUD on regular basis and has been involved in reviewing different TORs as well as being part of the technical proposal review panel/committee.
- Engaged with Financial Sector Deepening Mozambique (FSDMO) a company established by FCDO and other donors to support the development of financial service market in Mozambique.
- In all three target countries, the EUD was part of the work plan and budget review process, validation workshop and steering committee meetings.

3. Collaboration with existing initiatives

- Recognizing the need to synergize with existing projects at the country level to maximise value for money and avoid duplication of efforts, the project has initiated the following:
- Solomon Islands is exploring collaboration with the United Nations Capital Development Fund (UNCDF) and Asian Development Bank (ADB) under access to finance component with the aim of leveraging UNCDF investment in Telekom and the provident fund. The project team is also exploring partnerships with SPC, Kastom Gaden, PHAMA Plus and Strongim Bisnis in the cocoa sub-sect under Output 4.
- Advancing the SDGs by Improving livelihoods and resilience via economic diversification and digital transformation" co-implemented by the ILO in Fiji, the Solomon Islands, Tonga, Tuvalu, and Vanuatu, financed by the UN Joint SDG Fund

- In Sierra Leone, the team is considering partnering with an agricultural value chain project supported by ILO. Another collaborative exploration is being sought with the project known as Opportunity Salone (and it is also financed by the EU - perhaps worth mentioning)
- In Mozambique, the project aims to collaborate with Financial Sector Deepening on access to finance.

4.2 MANAGEMENT OF THE CHANGE OF PROJECT STRATEGY



The project started with the aim to commence direct field implementation at the end of the eight-month inception phase. However, in September, the EU revised the project strategy due to the deteriorating security and political situations in CAR, Haiti and Sudan. This resulted in the reduction of the project coverage to three countries and reduction of Sierra Leone activities to cover only outputs 1, 2 and 3.

The PMU managed this change of the project strategy as follows:

- Management of exit strategies with the three excluded countries (Sudan, CAR and Haiti) by holding several meetings with the country offices and managing communication to the national government.
- Managing of expectations of the country offices and project coordinators in the three excluded countries.
- The EU approved USD 15,000 for the project termination costs for each country.
- Revision of the project description of action, budgets, target countries project work plans and budget and related results framework.

4.3 CHALLENGES ENCOUNTERED AND MITIGATION MEASURES TAKEN



The inception phase of the project took more time than expected and contributed to the overall delay of project implementation in the field. To compensate the time lost, the PMU together with the target countries agreed to start implementation of all the four outputs in parallel across all the countries considering the need to establish proper linkages and turn around of the project implementation for greater impact. During the reporting period, the project was exposed to several risks and made efforts to mitigate them, as shown in the table:

Table 7: Risk analysis for the period May 2022-June 2023

Risk category	Assumed risk	Possibility of occurrence	Level of impact	Mitigation strategy
Operational risk	Low response to calls for proposals, delayed project implementation	High	High	<ul style="list-style-type: none"> • Hold targeted mobilization, sensitization of institutions through individual meetings, cluster meetings, follow up of these institutions and consider having calls for proposal remain open on rolling basis for up to 6 months based on country context • Hold targeted mobilization, sensitization of institutions that service the target groups
	Lack of willingness from Informal MSMEs to engage in project implementation	Low	High	<ul style="list-style-type: none"> • Promote project interventions that meet the needs of the target groups • Effective communication and visibility of the project mandate
	Existing government or other projects implementing similar interventions	High	Low	<ul style="list-style-type: none"> • Collaboration with government and other project structures to explore areas of synergy where existing projects implement similar activities.
	Slow project implementation as a result of change of project strategy resulting in low fund utilization	High	Moderate	<ul style="list-style-type: none"> • Put in place strategies to support fast-tracking of project implementation, including implementation of all outputs in parallel, effective monitoring and coordination systems within the country offices
Contextual risk	Economic situation not favourable High levels of poverty that propel informalisation	High	High	<ul style="list-style-type: none"> • Promote innovative intervention concepts/approaches under each output as pathways and incentives to propel formalisation
Reputation risk	Lack of willingness by governments to engage in complex informal economy and markets issues	Low	Low	<ul style="list-style-type: none"> • Continuous discussions and awareness raising about the project's proposed interventions, engagement of national governments through steering committee • Partnerships with national institutions • In-depth understanding of national government strategies and priorities and aligning project interventions accordingly

5 CONCLUSION AND NEXT STEPS

This progress report has covered both the inception phase and the first year of implementation in the three target countries — Mozambique Sierra Leone and Solomon Islands. During this period, the project mobilized stakeholders, secured buy-in from respective national governments, especially key ministries, EUD, OACPS, private sector associations and entities, UN agencies and other key partners.

During the reporting period, the project underwent change of strategy that resulted in the reduction of the number of target countries from six to three. Despite this change, the project finalised the baseline studies of all the six countries as well as the global report.

In addition, UNDP, through the Africa Sustainable Finance Hub project team in partnership with target country offices and ILO, finalised country multi-year work plans and project description of activities, which were approved by respective country steering committees. Full project implementation began in the first quarter of 2023.

During implementation in some of the target countries, such as Solomon Islands, the project experienced the challenge of limited response to calls for proposals from the financial intermediaries and fintech firms to support informal enterprises and entrepreneurs. As a result, it took more time than expected and required extensive advocacy to mobilize the intermediaries to collaborate with the project. Despite this and a few other challenges, the project is now fully established.



The following are some of the project's initial achievements:

- Full engagement and support by key government ministries and implementing partners in the target countries.
- Organization of sensitization workshops in target countries and drafting of national action plans (roadmaps) for formalisation.
- Identification of financial intermediaries and fintech firms to design financial products and services targeting project beneficiaries.
- Commencement of actions on the ground to establish sectoral collective action platforms in the target countries.

The project will focus on the following areas in the next reporting period:

- Implementation of all the project outputs in partnership with ILO and the three target countries while considering the interconnectivity of the activities. A deliberate strategy to partner with ongoing projects or initiatives will be pursued.
- Closely working with government focal ministries.
- Effective coordination and engagement with EUD in the respective target countries and Brussels, and with OACPS.
- Promoting communication and visibility of the project within the ACP countries and seek the support of OACPS. This will include establishing a project website, and holding webinars and workshops.
- Close follow-up and monitoring of project implementation as per respective countries' work plans.

Table 8 highlights some of the key activities for follow-up in the next reporting period.

Table 8: Summary of key planned activities for the next reporting period

Country	Activities
Mozambique	Finalizing the development of national action plan/road map for formalisation and the identification of incentive and support schemes for piloting and rollout
	Establish partnership with Financial Sector Deepening Mozambique to provide TA support for financial intermediaries (Output 2). Accelerating the finalization of the innovation challenge using the performance-based contract modality, promoting blended finance
	Support ILO to rollout ToT among intermediaries for improved BDS (business management, financial literacy, market access, entrepreneurship) to target beneficiaries under Output 3
	Establishment of cross-border agriculture/trade sectoral action platform
Sierra Leone	Development of national action plan/road map for formalisation and kick-off the identification of incentive and support schemes
	Contracting of the selected financial intermediaries to receive technical support to adopt existing financial products/services to target beneficiaries
	Contracting of financial intermediaries and fintech firms to develop innovative digital financial products/services. Launch the second call for proposals
	Complete the procurement of expert services to identify potential sources of blended funding
Solomon Islands	Contracting of financial intermediaries to receive technical support to adopt existing financial products/services to target beneficiaries
	Launch call for proposals and support implementation of the innovation challenge award
	Finalize the procurement process of an expert to conduct the process of identifying potential sources of funding for target financial intermediaries
	Roll-out ToT as part of the capacity building intervention to intermediaries for improved BDS (business management, financial literacy, market access, entrepreneurship) to target beneficiaries as per project Output 3
	Establish sectoral action platform and preparation of an action plan
Communication and visibility	Set up the project website
	Hold 3 webinars
	Develop lesson learnt materials



ANNEXES



ANNEX 1

REVISED OVERALL PROJECT STEERING COMMITTEE (OPSC)

TERMS OF REFERENCE

BACKGROUND

In recognition of the challenges faced by the informal sector and the opportunity that lies in the sector for growth and job creation, the United Nations Development Programme (UNDP), in collaboration with the International Labour Organisation (ILO), is implementing a 4-year European Union (EU) and African, Caribbean and Pacific (OACPS) Group of States project on Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the Africa Caribbean and Pacific Regions. The project seeks to support the creation of a policy, regulatory and ecosystem development which is conducive for formalisation and inclusive economic growth.

The activities of the project will be implemented at two levels: at the country level, consisting of in-depth field interventions in three ACP countries (Mozambique, Sierra Leone and Solomon Islands), and at the regional level where OACP countries will benefit from different regional activities. At the country level, the project has three strategic components at the macro, meso and micro levels that will maximize impact for the formalisation of informal enterprises in the ACP region. The project's regional implementation unit will provide knowledge products and training in order to assist countries in the ACP region to unlock their potential as regards to the informal economy and informal enterprises. The regional-level implementation will culminate in the organization of a final summit, bringing in together representatives of key stakeholders from the ACP region, together with representatives of the ACP secretariat, EU, UNDP, ILO and other stakeholders. The project will facilitate South-South cooperation and knowledge sharing among ACP countries and provide a platform for presenting the impact of the project and lessons learned.

GENERAL OBJECTIVES

As part of the Project's governance mechanism, the Overall Project Steering Committee (OPSC) is established to provide oversight and advisory services at the global level. Co-chaired by UNDP and EU representatives (at the global and strategic level as appropriate), the OPSC will convene twice a year and will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project.

In the project's final year, the project in collaboration with OPSC shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up, and to socialize project results and lessons learned with relevant audiences.

COMPOSITION

The OPSC will comprise of representatives (Ministerial level) of 3 beneficiaries Governments, EU representatives, OACPS representatives, UNDP, and ILO. The OPSC may call upon any specialized institution such as WIEGO and Academia as well as private sector and informal sector associations in order to benefit from their expertise.

The PMU will be an ex officio member of the OPSC and will provide the secretariat services for the OPSC meetings. To ensure accountability for project results, the OPSC's decisions will be made in accordance with standards that ensure management of project implementation and results, value for money is maximized and put in place measures or structures that will enhance fairness, integrity, and transparency.

RESPONSIBILITIES

Specific responsibilities of the OPSC are as follows:

- Providing overall strategic direction and guidance to the project, including new strategic areas of collaboration and interventions as appropriate.
- Review project implementation progress reports, results and objectives and make recommendations for improvements.
- Identification of key stakeholders at the regional level to be engaged for project implementation support.
- Recommend strategic policy changes to influence the development of the Informal Sector and the transition to formalisation.

- Providing support in the identification of opportunities, as well as in the resolution of any challenges at both Country and Regional levels;
- Ensuring sustainability of regional and country-level interventions.
- Supporting the process of monitoring risks to the project and making decisions regarding risk mitigation interventions;
- Playing an advocacy role for the project and for the transition to formalisation in each respective country and regional level.
- Informing the project team of opportunities to coordinate project activities with other initiatives, and to provide support to form new partnerships that are relevant to the project;
- Supporting visibility and public awareness, and acting as ambassadors for the project;
- Support resources mobilization to scale up the intervention across the ACP region.

ANNEX 2

GENERAL INFORMATION

Title: Call for proposals for Financial Intermediaries to identify and adapt/refine financial services and products to meet the needs of micro small and medium enterprises, specifically informal enterprises/entrepreneurs in the Solomon Islands.

Application date:xxx

Application Deadline:xxx

Location: Solomon Islands

BACKGROUND

The United Nations Development Programme (UNDP) in partnership with the Organization of African, Caribbean and Pacific States (OACPS) and with financial support from European Union (EU) has designed a four-year (2022-2025) project entitled Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the African, Caribbean and Pacific Regions to unlock the potential of the informal economy for inclusive growth and transformation. The informal economy is a dominant feature of the African, Caribbean and Pacific Group of (ACP countries), representing a significant share of the economy and employment. Despite providing employment and income opportunities for many, informal economy employment is generally characterized by low productivity, low income, and high levels of poverty. Low productivity of informal enterprises is a structural characteristic in low and middle-income countries. Lack of an enabling business environment as well as underdeveloped business management and financial skills impairs the productivity of MSMEs and limits their ability to attract capital. One of the crucial obstacle informal enterprises face in accessing capital is the inadequacy of the financial services offered by the established financial sector actors.

The project will be implemented by UNDP in partnership with the International Labor Organization (ILO) in the following target countries: Mozambique, Sierra Leone, and Solomon Islands. The project aims to unlock the potential of the informal economy with interventions at the national, sectoral and enterprise level. At the national level, it will develop and support implementation of favourable regulatory conditions and relevant incentives for businesses to formalize. The project will address capacity constraints and facilitate the provision of innovative products and services for the informal enterprises. Enterprises will also be trained and strengthened to address non-regulatory bottlenecks which pertain to lack of awareness and capacity in terms of business skills, financial and digital literacy to adopt available tools to improve productivity and enhance access to both finance and markets. The project will also intervene at the level of key intermediaries in the informal sector ecosystem, in particular aggregators (accelerators and incubators) and financial intermediaries to create these favorable conditions.

In particular, the project aims to support the refinement of existing financial services and products to meet the needs of micro small and medium enterprises specifically informal enterprises/entrepreneurs. This includes providing technical and financial support to facilitate innovative financial services and products. This project will contribute to the Solomon Islands National Development Strategy 2016-2035 and its Medium Term Strategies and the Solomon Islands Micro, Small & Medium Enterprises Policy and Strategy.

In Solomon Islands, the informal sector remains pivotal in socio-economic development. The sector plays a dominant role in the country's economy, as it accounts for about 75 percent of total employment, especially for the poor. It also serves as a shock absorber in periods of economic crises, playing a critical labour market stabilization role, as well as addressing imbalances in the market for general goods and services in times of recessions. However, there are several attributes of the informal sector that undermine its potential to significantly contribute to public finances, economic growth, and transformation. These include low income among informal enterprises, low productivity, low capital investments, limited access to financial services, poor working conditions, high vulnerability to external shocks, and low levels of education and business skills, among others.

RATIONALE FOR THE CALL

Access to finance is an important element in supporting the growth and formalisation of informal enterprises. It supports businesses to improve productivity, become more efficient and competitive and comply with regulations and laws, access new markets, and expand their operations, which can lead to increased profits and growth.

Financial services in the Solomon Islands are fragmented, small in scale and largely informal, characterised by volatility in individual and aggregate income levels. Financial markets lack depth and breadth in terms of reach and products offered to the clients and interest spreads and banking industry margins are high. Moreover, the COVID-19 pandemic has affected entrepreneurs' ability to meet loan repayments resulting in high non-performing loans in almost all sectors. This coupled with the lack of knowledge, high unit costs and the perceived higher level of risks associated with MSMEs has affected financial intermediaries' capital adequacy and profitability and further reduced their risk appetite to lend to the MSMEs and informal enterprises.

On the other hand, there is evidence that the financial intermediaries are interested in diversifying their portfolios, however, they lack the management and technical capacity to understand the financial needs and characteristics of the informal enterprises as well as the capacity to manage the associated risks to design better tailor made financial products adapted to the specific challenges of the informal economy. This will require a deliberate strategy to identify and adapt financial service products offer in terms of products, delivery models and management processes among others.

Given the low supply of financial services in the country, high demand for financial service from enterprises, financial intermediaries hold the leverage to influence business practices. Therefore, banks, insurers, credit unions and microfinance institutions, are potential conduits for promoting the formalisation of informal enterprises.

At the same time, supporting formalisation has the potential to enhance financial institutions' business performance: through better performance of the MSMEs as well the as from the risk and business management perspective. A formalised enterprise is more transparent and hence is a less risky borrower, which helps reduce operating costs and identify future earning opportunities more accurately. Financial institutions with a social agenda, or a double-bottom-line approach, can additionally enhance their social impact by promoting formalisation.

Therefore, there is a need to support the financial intermediaries to cushion their capacity to efficiently serve these under-served markets through improving their management and technical skills and managing innovative processes such as a partnership with Fintech firms, product development, partnership with value chain actors to develop, pilot, roll out financial and non-financial services to reach these untapped markets in the informal economy.

UNDP and partners recognise the high demand for financial services among the informal actors for savings, credit, insurance, and digital services. However, the current products and services are either unaffordable, out of reach or not aligned with their needs. On the other hand, the financial intermediaries do recognize the need to provide alternative products and services that suit the needs of the informal enterprises. However, these intermediaries either have limited institutional capacity to manage the product development process that enables them to change or improve the products or services offered to the informal enterprises.

THE CALL FOR PROPOSALS

UNDP, in collaboration with ILO shall support financial intermediaries to identify and adapt existing financial products/services targeting informal enterprises/entrepreneurs, in order to incentivize formalisation. Through this call, UNDP would like to strengthen capacities of financial intermediaries to adapt innovative financial products and solutions that meet the financial needs of the informal enterprises and MSMEs, while fostering the way to formality. This may include technical assistance to support the product development process, marketing of the products, and management to ensure that appropriate products that meet the needs of the informal enterprises and provide pathways to formality are in the market.

As such, UNDP in Solomon Islands is inviting financial intermediaries (banks, microfinance institutions, Savings and Credit Cooperatives, credit unions, insurance companies) to submit proposals describing their suggested products/services targeting informal enterprises/entrepreneurs. UNDP shall be providing technical support in the form of capacity building to up to 8 Financial Intermediaries in the country. The ILO will further support the identified financial institutions in piloting and rolling out the developed products and estimating the impacts achieved.

OBJECTIVES OF THE CALL FOR PROPOSAL

The specific objectives of the call for proposals include: -

Improve the capacity of financial intermediaries including banks, microfinance institutions, Savings and Credit Cooperatives (SACCOs) and insurance companies to provide appropriate financial products and services to informal enterprises and entrepreneurs. Promote access and usage of financial services for informal and formalizing enterprises, promote sustainable development of informal enterprises and their gradual formalisation by supporting them with adequate financial services provided by financial intermediaries.

SELECTION CRITERIA

This is a call for proposal (expression of interest) based on which UNDP will identify up to 8 proposals that will qualify for technical support.

Key areas for consideration for financial intermediaries for this call include: -

- a) Registered financial intermediaries and consortiums operating in the country with a minimum of three years.
- b) Feasibility of financial products /services to be refined and adapted to serve informal enterprises and entrepreneurs and their pathways to formality.
- c) Institutional capacity to develop, implement and scale up the products.
- d) Compliance to call requirement.

Profile of the proposer	
<ul style="list-style-type: none">Name:Location:Registration Date and regulating authority:	
Description of the organization, its target clients:	
Description of the product (existing requiring scale up or to be implemented), including product, features expected to contribute to the formalisation of informal enterprises.	
Type/category of the suggested financial product (savings, credit, insurance etc).	
Why your organization needs the support and the type of support required;	
Experience of the financial intermediary supporting MSMEs and informal enterprises and available capacity.	
Existing or expected linkages with enterprise formalisation initiatives/incentive mechanisms implemented in the country.	
Sustainability of the proposed financial service/product adapted to serve the needs of the informal enterprises/entrepreneurs.	
Expected impact of the financial product.	
Target customers/beneficiaries of the financial product (services),number, disaggregated by Gender.	
Estimated timeline to finalize the product refinement.	
Partners in product development and market deployment (if any).	
Organization's existing offering of non-financial services as well as BDS supporting financial inclusion and financial education, MSME business and digital skills development (if any).	
Organization's interest in providing business development and financial literacy capacity building to its clientele including the MSMEs (if any).	

CRITERIA FOR SELECTING THE PROPOSALS

UNDP will set up an evaluation committee to review all proposals received using UNDP through the ASFH's principles of fairness and integrity.

The following criteria will guide the selection process:

- Company's performance/track record and experience working with MSMEs and informal enterprises (30%).
- Potential product scalability, catalytic effect(30%).
- Impact of the proposed financial product and its feasibility (40%).

DETAILED SCORING MATRIX AND POINTS WILL BE ASSIGNED AS FOLLOWS:

Proposal Evaluation Form	Points	Score Weight
<ul style="list-style-type: none">• Company's performance/track record and experience working with MSMEs.	100	
<ul style="list-style-type: none">• Experience in the industry, credibility, reliability of the company.	100	
<ul style="list-style-type: none">• Experience in product development and working with MSMEs.	100	
Sub Total	300	30%
<ul style="list-style-type: none">• Potential product scalability, catalytic effect.	100	
<ul style="list-style-type: none">• The commercial viability of the product.	100	
<ul style="list-style-type: none">• Catalytic effect on the product.	100	
Sub Total	300	30%
<ul style="list-style-type: none">• Feasibility of the proposed financial product.	100	
<ul style="list-style-type: none">• Effectiveness of the solution to solve the financial access gaps of the informal enterprises.	100	
<ul style="list-style-type: none">• Potential contribution to enterprise formalisation and growth.	100	
<ul style="list-style-type: none">• Expected impact of the financial product on beneficiaries of the services.	100	
Sub Total	400	40%
TOTAL	1000	100%

TIMING AND CONTACTS

Proposals should be submitted via email to XXX@undp.org no later than (To be determined).

Queries to this call for proposals can be submitted via email to XXX@undp.org not later than (to be determined).

ANNEX 3

DRAFT TORs FSDMOC

BACKGROUND

The United Nations Development Programme (UNDP) in partnership with the Organization of African, Caribbean and Pacific States (OACPS) and with financial support from European Union (EU) has designed a four-year (2022-2025) project entitled Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the African, Caribbean and Pacific Regions to unlock the potential of the informal economy for inclusive growth and transformation. The informal economy is a dominant feature of the African, Caribbean and Pacific Group of (ACP countries), representing a significant share of the economy and employment. Despite providing employment and income opportunities for many, informal economy activities are generally characterized by low productivity, low income, and high levels of poverty. Low productivity of informal enterprises is a structural characteristic in low and middle-income countries. Lack of an enabling business environment as well as underdeveloped business management and financial skills impairs the productivity of MSMEs and limits their ability to attract capital. One of the crucial obstacles informal enterprises face in accessing capital is the inadequacy of the financial services offered by the established financial sector actors.

The project will be implemented by UNDP in partnership with the International Labor Organization (ILO) in the following target countries: Mozambique, Sierra Leone, and Solomon Islands. The project aims to unlock the potential of the informal economy with interventions at the national, sectoral and enterprise level. At the national level, it will develop and support implementation of favourable regulatory conditions and relevant incentives for businesses to formalize. The project will address capacity constraints and facilitate the provision of innovative products and services for the informal enterprises. Enterprises will also be trained and strengthened to address non-regulatory bottlenecks which pertain to lack of awareness and capacity in terms of business skills, financial and digital literacy to adopt available tools to improve productivity and enhance access to both finance and markets. The project will also intervene at the level of key intermediaries in the informal sector ecosystem, in particular aggregators (accelerators and incubators) and financial intermediaries to create these favourable conditions.

In particular, the project aims to support the refinement of existing financial services and products to meet the needs of micro small and medium enterprises specifically informal enterprises/entrepreneurs. This includes providing technical and financial support to facilitate innovative financial services and products. It also seeks to launch an Innovation Challenge Award to promote the development by local Fintech firms and financial intermediaries of new financial products, with a focus on digitalization.

PARTNERSHIP

It is against this background, that UNDP and ILO seek to enter into a partnership Financial Sector Deepening Mozambique (FSDMOC) initiative in the implementation of Output 2 of the project: "New financial services developed and promoted, and capitalization opportunities for financial intermediaries expanded". Under this partnership, FSDMOC will advise the project on the implementation of activities under this output and manage key output components. In this regard, the project will be able to leverage FSDMOC's expertise in the area of financial inclusion and digital finance in Mozambique, as well as its network of national, regional and international partners and experts in this field.

UNDP and ILO's decision to partner with FSDMO to assist with the implementation of Output 2 of the Informal Economy Project is based on FSDMOC long and successful history and track record of supporting financial inclusion, including capacity development of financial intermediaries and FINTECH companies, through employing a variety of methods, tools and activities to strengthen the management, operations and technical capacity of financial intermediaries. Through this partnerships FSDMOC will ensure that this collaboration results into an increase in overall outreach, improved quality of financial services to the informal sector and self-sustainability of financial intermediaries selected, with a focus on digital finance.

OBJECTIVE OF SCOPE OF WORK

The objective of this partnership is to leverage FSDMOC's capacities and expertise to assist with the implementation of Output 2 of the Informal Economy Project which seeks to see new financial services developed

and promoted, and capitalization opportunities for financial intermediaries expanded for the benefit of informal operators in Mozambique, with a focus on those operating in the agricultural marketing sector. To this end, FSDMOC will provide technical assistance and capacity building support to beneficiary financial intermediaries and FINTECHs, enabling them to develop and offer innovative financial products and services and promote the development of digital finance tools that are targeted informal micro small and medium enterprises (MSMEs), especially those run by women and young entrepreneurs.

New financial products and services arising from the implementation of Output 2 of the project are anticipated to be accessible and affordable, directly benefiting the informal economy by addressing the constraints that hinder access to financial services by informal operators. The technical assistance should enhance the financial intermediaries' capacity to address the funding gap through the adoption of financial services and products that meet the target group financial needs, support fintech with a focus of increasing financial literacy and knowledge of financial products and services. The support to be provided to beneficiary financial intermediaries will take the form of technical assistance/specialised expertise support, with experience in the design and promotion of financial inclusion products and services.

More specifically, under this agreement, FSDMOC will be responsible for the following activities:

OVERALL ACTIVITIES

- General advice to UNDP and ILO, the project management team and the project Steering Committee on issues relating to Output 2 of the project regarding digitalization and financial inclusion in Mozambique.
- Produce a "market insight" note on the financial intermediaries and Fintech landscape in Mozambique and how it relates to the agricultural marketing sector that helps frame interventions under Output 2 of the project.
- Advice and assist with the design and implementation of communications and outreach activities under Output 2.

Under Project Activity 2.1.: Technical support to financial intermediaries in the identification and adoption of innovative financial services models/products for informal enterprises, with a particular focus on digital services

- Assist with the preparation and launch of the TORs for the Expression of Interest (EOI) and Call for Proposals (CFP) for activity 2.1. of the project.
- Assist with the selection process for EOI and the CFP. (The selection process will be managed by a Selection Panel, chaired by UNDP and involving key project partners, e.g. ILO, ICM, FSDMOC, etc.).
- undertaking relevant due diligence reviews as per the terms and conditions of the CFP.
- Manage technical assistance (TA) to the selected financial intermediaries, identifying potential sources of TA (these could be within FSDMOC, or outsourced externally) and taking responsibility for all contractual matters involving third-party TA (funds to be transferred to FSDMOC to manage this activity, against a predefined and agreed set of TA requirements).
- Identification of financial institutions and/or providers of value chain finance for support of piloting of innovative financial solutions
- Support piloting of implementation of the identified innovative financial product/service (including implementation and communication strategy)

Under Project Activity 2.2.: Operational support to financial intermediaries and fintech firms to develop and pilot new financial services-products for informal enterprises

- Assist with the preparation and launch of the TORs for the EOI and CFP for the Innovation Challenge Award , under activity 2.2. of the project.
- Assist with the selection process for the EOI and CFP of Innovation Challenge Award . (The selection process will be managed by a Selection Panel, chaired by UNDP, and involving key project partners, e.g., ILO, ICM, FSDMOC, etc.), including undertaking relevant due diligence as per the terms and conditions of the CFP.
- Advice and participate in the design and organization of the launch event and communication campaign for the Innovation Challenge Award
- Assist with the monitoring of the implementation of the Innovation Challenge Award.

- Identify specific needs of awards recipients for technical assistance or other type of support
- Manage technical assistance (TA) to award recipients, identifying potential sources of TA and taking responsibility for all contractual matters involving third-party TA (funds to be transferred to FSDMOC to manage this activity, against a predefined and agreed set of TA requirements).

Under Project Activity 2.3.: Identification of potential sources of funding and blended finance for financial intermediaries and FinTech enterprises.

- Create a database of potential sources of funding and blended finance for financial intermediaries, liaising closely with the project team
- Conduct financial/investment intelligence and develop investment briefs, investment directors to the benefit of the award recipients and other financial intermediaries.
- Organize a matchmaking event/investment fair to the benefit of the award recipients and other financial intermediaries.

Deliverables and timelines

Activity	Deliverable	Timeline	Payment Schedule
Overall	Market insight note final report		
	Dialogue event final report, including list of participants, photos and findings from the event		
2.1	Launch EOI process		
	Launch Call for Proposal (CFP)		
	Contracts and evidence of provision of technical assistance (TA) to the selected financial intermediaries		
	Identification of financial institutions and/or providers of value chain finance for support of piloting of innovative financial solutions		
	Support piloting of implementation of the identified innovative financial product/service (including implementation and communication strategy)		
2.2	Launch EOI process		
	Launch of Call for Proposal (CFP)		
	Launch event		
	Brief of specific needs of awards recipients for TA		
	Contracts and evidence of provision of technical assistance (TA) to the selected financial intermediaries		
2.3	Database of potential sources of funding and blended finance for financial intermediaries		
	Investment briefs and directors		
	Matchmaking event/investment fair		

ANNEX 4

SUPPORTING INFORMAL ENTERPRISES TRANSITION TOWARDS SUSTAINABLE GROWTH AND FORMALISATION IN THE AFRICAN, CARIBBEANS AND PACIFIC REGION

Call for Proposals for Innovation Challenge Award to support Financial Intermediaries and Fintech Firms to Develop Financial Products and Services Targeting Informal Enterprises and Entrepreneurs

Terms of References

I. BACKGROUND

The United Nations Development Programme (UNDP) through the ASFHin partnership with the International Labour Organization (ILO), Organisation of African, Caribbean and Pacific States (OACPS) and with the financial support of the European Union (EU), has embarked on a 4-year project entitled Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the African, Caribbean and Pacific (ACP) Region.

This project is undertaken in the framework of the EU-ACP cooperation policy focusing on three ACP countries (Mozambique, Sierra Leone, and Solomon Islands). The three countries from the ACP region will benefit from this important initiative in recognition of the importance to transform and integrate the informal sector into the countries' efforts to accelerate national development and the SDG priorities.

The informal sector plays a dominant role in the ACP Countries. It accounts for about 96 percent of total employment in Mozambique, 90 percent in Sierra Leone and 75 percent of total employment in Solomon Islands. Access to finance in the three countries is quite low with only less than 30% of the population have access to formal financial services. Most of the population in the target countries rely on informal sources of financing such as savings club, money lenders and borrowing from suppliers due to limited outreach of financial intermediaries and absence of relevant financial products /services.

UNDP in this project aims to support up to four (4) Financial Intermediaries and Fintech firms in each target country through Innovation Challenge Awards of up to US\$ 150,000 to enable them design and scale up innovative financial products and services targeting informal enterprises and entrepreneurs, focusing on women and youth in the target countries and beyond.

II. OBJECTIVES AND EXPECTED OUTPUTS/ DELIVERABLES

The main objective of this innovation challenge award is to support financial intermediaries and fintech firms to develop/design, pilot and scale up financial products and services targeting informal enterprises and entrepreneurs focusing on women and youth.

The award is expected to be used as a catalytic resource to accelerate the development of innovative solutions and address the challenges in terms of access to finance for informal economic agents.

III. ELIGIBILITY & QUALIFICATION CRITERIA

All registered financial intermediaries and fintech firms operating in the country are eligible to apply. These include financial institutions (Banks, Micro Finance Institutions, Saving and Credit Cooperative Organisations, Insurance companies and others); Payment Service Providers; Agent Banking Aggregators; Mobile Network Operators; Technology Providers; E-commerce Platform Providers; FinTech companies.

The potential applicants should meet the following criteria:

- The innovator must be a registered entity with at least 3 years of operations in the country.
- The innovator should have long-term viability and financially sustainable solutions.
- Experience working in the MSMEs space is an added advantage.
- Applicants with financial product development experience would be preferred.
- The product/services to be supported should present an opportunity for replicability and built on technologies that are adaptable to various contexts.

- Additionality to other existing financial solutions to maximize impact and value proposition for the target group.
- The applicant is expected to provide contribution in cash/in kind.

IV. PROPOSAL

This call for the Innovation Challenge Award is to enable financial intermediaries and fintech firms to develop innovative financial products and services targeting informal enterprises and entrepreneurs focusing on women and youth. The structure and length of the proposal must comply with the format in Annex I below.

EVALUATION CRITERIA & METHODOLOGY

- a) Proposals will be evaluated based on the following criteria:
UNDP will set up an evaluation committee to review all proposals received using UNDP through the ASFH's principles of fairness and integrity. The following criteria will guide the selection of the winning proposal:
 1. Company's performance/track record and product development experience (30%).
 - o Capacity of the organization to implement the activity (institutional, financial): The financial intermediary or fintech firm should demonstrate the ability to effectively manage grant funds, as well as the institutional capacity (equipment, facilities, competence and experience of personnel, and past record of managing such activity) necessary for implementation.
 - o Competence of the organization's staff. Previous experience in related fields, availability of skills and training.
 2. Financial viability of the proposed financial product scalability, catalytic effect (30%).
 - o Consistency with stated objectives: The proposal should address issues relating to the development of innovative financial products and services to meet the needs of MSMEs specifically informal enterprises and entrepreneurs focusing on women and youth.
 - o Comprehensiveness of the proposal: The proposal should clearly define its strategy for implementation detailing a step-by-step project activity plan, monitoring plan, target groups (disaggregated by gender), and with clear timelines for implementation and demonstrate scalability.
 - o The amount requested in the proposal should demonstrate the catalytic effect of mobilizing additional resources.
 3. Impact of the proposed financial product and its feasibility with the available resources and partner contributions (40%).
 - o Feasibility and sustainability: The proposal should clearly demonstrate its feasibility to solve the financial access gaps of the informal enterprises and sustainability after the grant period and in the absence of external funding.
 - o The budget breakdown should be detailed, complete and realistic. The applicant must propose a financial breakdown of how the US\$150,000.00 from should be used as well as the co-financing component.
 - o Applicants are expected to contribute with co-financing for the next three years in cash/in-kind. Proposals will be rated, among others, by the level of matching/co-financing.
 - o The grant will be disbursed in local currency at the official exchange rate.

Detailed scoring matrix and points will be assigned as follows:

Summary of Proposed Solution Evaluation Form	Points	Score Weight
1. Relevant Expertise of the Firm / Organization, including:		
• Team capacity or experience in the industry, credibility, reliability of the company.	150	
• Experience in undertaking similar product development.	150	
Sub Total	300	30%
2. • Viability and sustainability of the financial product/service.	100	
• Potential for scaling or replication.	100	
• Catalytic effect on the product or service Solution.	100	
Sub Total	300	30%
3. • Effectiveness and feasibility of the proposed financial product to solve the financial access gaps of the informal enterprises.	160	
• Own financial contribution/co-financing.	120	
• Capacity to deliver on time.	120	
Sub Total	400	40%
TOTAL	1000	100%

b) PAYMENT MILESTONES

The US\$150,000.00 innovation challenge award to the Innovator will be disbursed in tranches based on the effective UN exchange rate (in case of other currency denomination), and only after approving authority confirms the successful completion of each deliverable as per the agreement.

c) Project Activity duration: The activity duration will be twelve (12) months.

VI. SELECTION PROCESS

UNDP will review the proposals through a five-step process: (i) determination of eligibility; (ii) technical review of eligible proposals; (iii) scoring and ranking of the eligible proposals based on the assessment criteria outlined in Section V to identify the highest-ranking proposal; (iv) round of clarification (if necessary) with the highest scored proposal; and (v) signature of the agreement.

VII. SUBMISSION PROCESS

Applications (proposals) should be submitted by financial intermediaries and fintech firms based in target country using the attached template (Annex 1) to the following address:

E-mail: secured procurement email xxxxx not later than xxxxx.

Late submissions will not be considered.

CALL FOR PROPOSALS

Call for Proposals for Innovation Challenge Award to support Financial Intermediaries and Fintech Firms to Develop Financial Products and Services Targeting Informal Enterprises and Entrepreneurs

APPLICATION TEMPLATE

(Maximum of 15 pages excluding annexes)

INFORMATION ABOUT APPLICANT ORGANIZATION

Financial Intermediary's and Fintech Firm's Legal Name:	
Registration Date and Regulating Authority:	
Name of CEO/ Executive Director: Email Address:	
Name of Responsible Line Manager (Focal Person): Email Address:	
Financial Intermediary's Legal Address:	
Telephone:	
Total Budget (In USD):	Fax: Web page:
Project Activity Implementation Dates:	

1. Organization Description

1.1 Describe your organization and its target clients.

2. Product Description

2.1 Description of the innovative financial product/services to be developed and supported.

3. Experience in Product Development

3.1 Briefly outline your organization's experience in financial product and service development.

4. Product/Service Objectives and Target Beneficiaries

4.1 Describe the objective of your organization's proposed financial product/service and its target service beneficiaries.

5. Expected Product/Service Impact

5.1 Briefly outline the expected impact of your proposed project/service

6. Target Customers /Beneficiaries

- 6.1 Briefly outline the number of target customers/beneficiaries of your organization's proposed financial product or service, disaggregated by gender.

7. Financial Viability

- 7.1 Explain the financial viability of your proposed financial product/service.

8. Resource Input

- 8.1 Briefly explain the total estimated resources required to develop the proposed financial product/service including own co-financing.

9. Percentage Contribution by Applicant

- 9.1 Describe your organization's percentage contribution (co-financing) to develop and implement the proposed financial product/service.

10. Timeline

- 10.1 Highlight the estimated timeline to finalize your proposed product/service (design, piloting and rolling out).

11. Budget Break-down

- 11.1 Provide detailed budget break-down including specific activities on how to use the award, as well as own co-financing/contribution, include sources of funding, timeline etc. All proposed co-financing contributions which will be in kind should be monetized to facilitate comparison of the different offers from applicants.

Provide activity budget in USD according to the following format:

Description of Activity/Item	Persons/Units	Rate/Cost	Estimated amount	Sources of Funding
Total				

12. Partners in Product/Service Development

- 12.1 Provide detail on your partners who will be involved in the proposed financial product/service development process (if any).

ANNEX 5

Recruitment of individual consultant – Blended Finance

Service/Work Description	Mapping of the blended finance to support financial intermediaries and FINTECHs firms
Type of Contract:	
Post Level:	
Number of Consultant	
Languages Required:	
Starting Date:	
Duration of Initial Contract:	
Expected Duration of Assignment:	

I. BACKGROUND AND JUSTIFICATION

Small and Medium Enterprises (SMEs), particularly informal enterprises play a major role in most economies, particularly in developing countries. Informal enterprises are important contributors to job creation, income opportunities and economic growth. Cognizant of this, the United Nations Development Programme (UNDP) in partnership with the Organization of African, Caribbean and Pacific States (OACPS) and with financial support from European Union (EU) has designed a four-year (2022-2025) project entitled Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation in the African, Caribbean and Pacific Regions to unlock the potential of the informal economy for inclusive growth and transformation. The project is implemented by UNDP in partnership with the International Labour Organization (ILO) in the following target countries: Mozambique, Serra Leone, and Solomon Islands. The project aims to develop and support implementation of favourable regulatory conditions and relevant incentives for businesses to formalize.

The informal enterprise face challenges in accessing loans from the financial intermediaries due to number of reasons. On the other side, the financial intermediaries lack adequate capital for on-lending, limited product offers and lack of innovative approaches/ partnerships with other key stakeholders to ensure that access to financial services is realised.

In this regard, the project aims to undertake investment intelligence to prepare investment briefs and directory of potential source of capital, especially blended finance. This will be complemented by the organization of matchmaking and investment fair between interested investors, impact investors, and financial intermediaries, private sector companies and Fintech firms in Solomon Islands.

UNDP Solomon Islands is looking for an experienced expert to undertake the investment intelligence to identify sources of financing and increase access to capital specifically blended finance for financial intermediaries and FinTech enterprises.

II. OBJECTIVES OF THE ASSIGNMENT

The general objective of this assignment is to conduct an investment intelligence to identify sources of funding particularly blended finance to supporting financial intermediaries and FINTECHs targeting informal enterprises sector in Solomon Islands. The specific objectives are preparation of investment briefs, investment database/directory and facilitating matchmaking event.

III. SCOPE OF THE WORK

The consultancy will deliver two outputs as follows:-

- (i) Conduct a mapping of the blended finance sector in Solomon Islands. Key tasks under this output will include:-
 - Examine the current and future of blended finance landscape including different actors(supply and demand, intermediaries, enabler(market builders, and regulators) by analysing the enablers/ drivers, barriers, challenges opportunities faced by the different actors in access or use blended finance.
 - Analysing the size of the market(demand and supply), understand the types of investments, and provide information about key players and future market trends.
 - Identify and assess alternative financing mechanisms that servicing the informal economy market. Examine the potential partnerships of these alternative financing mechanisms with formal financial institutions.
 - Complete the mapping and develop a road map of blended finance sector based on the approved methodology and strategy.
 - Make recommendations on strategies to build/ support/ strengthen the blended finance sector in Solomon Islands.
- (ii) Creation of a database of potential sources of funding and blended finance for financial intermediaries and Fintech by considering the following.
 - Focus of the investors
 - Investment criteria
 - Financial Instruments used by the investors(grants, equity, loans)
 - Facilitate/ organise investment fairs and match making events.
- (iii) Identify lessons learnt by the different actors on use of blended financing and alternative financing to support financing of financial intermediaries of FINTECHs and informal economy actors.

Deliverables	Estimated Time	Payment Schedule
• A brief inception report including methodology and approach of work with detailing workplan	1	10%
• Develop a methodology, strategy, and survey instrument for the successful mapping of blended finance sector	1	
• Landscape report of the blended finance sector supporting financial intermediaries and FinTech	6	40%
• Create a comprehensive database/directory of blender finance sector actors (supply and demand, intermediaries, enabler (market builders, and regulators)	8	50%
• Organize and facilitate an matchmaking event	2	
Total consultancy days	18	

V. MANAGEMENT OF CONSULTANT

The consultant will work closely and coordinate with the UNDP Country Office and PMU team in Pretoria under the direct supervision of project coordinator based in Solomon Islands.

Academic Qualification:

- At least Master's Degree in banking and finance, microfinance, development finance, development economics, business management, or related field.

Work Experience:

- A minimum of 10 years of professional experience working in the financial sector space especially in Africa.
- Practical consulting experience in financial product development
- Experience working with financial intermediaries such as banks, microfinance, insurance companies, and others
- Proven strong analytical aptitude and writing skills is needed.
- Strong communication, facilitation, and presentation skills, including outstanding communication skills in English,

VI. SELECTION CRITERIA

- Technical criteria - 70%
- Financial criteria - 30%.

ANNEX 6

GENERAL INFORMATION

Service Description: Supporting establishment of a collective action platform
Project Title: Supporting Informal Enterprises Transition Towards Sustainable Growth and Formalisation
Duty Station: XXXX
Type of the Contract: Individual Consultant (International/ National)
Languages Required: English and xxxx
Estimated Duration of Assignment: Approximately 27 working days
Expected Start Date: XXX 2023

I. BACKGROUND / RATIONALE

The United Nations Development Programme (UNDP) in partnerships with the Organization of African, Caribbean and Pacific States (OACPS) and with the financial support from European Union (EU) has designed a four-year (2022-2025) project to unlock the potential of informal economy for inclusive growth. The informal economy is a dominant feature of the African, Caribbean and Pacific Group of (ACP countries), representing a significant share of the economy and employment in the respective countries. Despite providing employment and income opportunities for many, informal economy employment is generally characterized by low productivity, low income, and high levels of poverty.

The project will be implemented in partnerships with different key stakeholders including International Labor Organization (ILO) in the following target countries: Mozambique and Solomon Islands. It adopts various innovative approaches including an ecosystem development approach at various levels. At the national level, it will develop and support implementation of favorable regulatory conditions and relevant incentives for businesses to formalize; address non-regulatory bottlenecks at the level of informal firms, themselves, among which issues pertaining to lack of awareness and capacity in terms of business skills, financial and digital literacy to adopt available tools to improve productivity and enhance access to finance and to markets; and intervene at the level of key intermediaries in the informal sector ecosystem, in particular aggregators (cooperatives and incubators) and financial intermediaries to create these favorable conditions.

The informal economy ecosystem is composed of different inter-connected and interdependent stakeholders whose actions eventually influence informal enterprises' ability to operate: the existence of gaps within the functioning of the ecosystem hinders this ability. A specific sector or sub-sector with a focus on informal enterprises has been identified through a baseline study for targeted interventions leveraging the 4I's of ecosystem development approach (EDA). The approach identified 4 key four support pillars: Information, financial investment, conducive rules and policy incentives and implementation support. At the sectoral level, the project shall support the establishment of collective action ecosystem platform in xxxx sector in xxx country to identify and address systemic gaps at a localized level to augment the overall interventions for increased impact.

Key to the platform's activities is the establishment of the action plan which will be built on the basis of the information produced in the Baseline Assessment sectoral case study. The action plan will aim at structuring collective action from stakeholders and mobilize their resources, including their expertise, and where possible in-kind or financial resources, to address the critical ecosystem gaps identified. The project will also support the workplan implementation with complementary resources actions aimed at addressing identified gaps on a selective basis through the implementation of grants/awards.

Aggregators and other relevant institutions (research institutions, private sector entities, government and technical agencies, NGOs) will be called to submit proposals on target interventions to address the ecosystem gaps identified, the implementation of selected solutions will be facilitated with the provision of Ecosystem or enterprise Grants.

Rationale for supporting platform development

UNDP considers the ecosystem platform development as a mechanism to mobilize sector actors by supporting different interventions such as resources mobilization, enterprise development and innovation solutions, including supporting policy advocacy, partnerships.

MSMEs (informal enterprises) individually can't fully benefit from economies of scale that their sector presents and hence fail to take advantage of market opportunities e.g delivery of large stocks , standardized products or compliance with international standard. This inhibit the MSMEs ability to transform since their profitability is reduced and cannot effectively compete in the marketplace.

UNDP in this initiative aims to promote informal enterprises and institutions within a selected sector to undertake coherent mutual reinforcing actions that will result into increased partnerships and win- win for all the stakeholders to yield benefits that will propel the growth of the sector and result into formalisation of the informal sector. UNDP plans to promote strategies that will foster collaboration and maximize economies of scale, facilitate consensus building through building trust and sustainable relationship among the stakeholders including strengthening governance mechanism within the platform.

Country context/ information (to be completed by respective country offices)

In line with the above approach, UNDP in xxx is looking for a consultant to support the establishment of a collective action platform, identify gaps, and provide recommendations for various actors of the ecosystem- enterprises and entrepreneurs, governments, development partners, civil society organizations, research institutions and intermediaries to co-create solutions to bridge the gaps.

II. OBJECTIVES OF THE ASSIGNMENT

The objective of this assignment is to provide technical assistance to support the design and launch of the collective action platforms in XXXXX. Specifically, conduct a deep dive into the identified sub-sector and train key stakeholders on ecosystem collective action platforms and propose solutions in the form of collective action plans.

III. SCOPE OF THE ASSIGNMENT

Key deliverables of the consultant will be to develop an action plan for the ecosystem and its implementation strategy through:

1. Identify key ecosystem stakeholders, collaborative partners, and implementation partners in the selected sector in the country based on the baseline study including identifying gaps or key constraints, solutions and opportunities for the development and strengthening of the platform using the Ecosystem Development Approach (EDA)
2. Propose a sustainable strategy for the establishment/ building/ strengthening of the platform engaging key stakeholders.
3. Create/ design or strengthen platform structures that can demonstrate/ build trust and value proposition for the different stakeholders and should result in increased productivity, profitability and competitiveness in the identified sector.
4. Develop a collective action workplan based on identified gaps and proposed solution in consultation with key stakeholders.
5. Develop a monitoring and evaluation framework for the platform.
 - Identification of key stakeholders and training them on the ecosystem development approach to address their constraints and provide capacity building to the platform facilitator.
 - Train the stakeholders, the fundamentals of collective action platforms and platform development strategy and action plan

The tasks of the Assignment are the following:

1. Foster dialogue among actors to formulate short to long-term strategies/ interventions to achieve common goals and actions / interventions that will inform the action plan aimed at addressing key bottlenecks in development of the sector .
2. Deliberate action should be made to foster women and youth engagement.
3. Development of implementation strategy, platform action plan based on stakeholder strength, identify areas of complimentary, opportunities aligned to UNDP informal enterprise project including systematic integration of gender perspective in the platform action plan
4. Prepare a training programme and provide direct training on the role of platform based on ecosystem development model and practice to the key stakeholders, based on the initial interaction with the UNDP and CO team and provide ToTs to the project National Coordinator and Ecosystem Facilitator.
5. Identify the capacity gaps (eg. financial needs, management gaps, policy related including advocacy

among other of the skate holders). Make recommendation on possible solutions that can be explored to support transformation of the informal enterprise. Draw successful lesson from other countries.

6. Support preparation and delivery of the ecosystem platform launch

NO.	DELIVERABLES	DURATION (APPROXIMATE WORKING DAYS)
1	Inception report	2
2	<ul style="list-style-type: none"> Development of the platform implementation strategy Develop collective action plan in consultation with key stakeholders and monitoring and reporting framework. 	15
3	<ul style="list-style-type: none"> Training materials in the form of ppt and direct delivery of training to stakeholder. Provide Training of Trainers to the National Coordinator, Ecosystem Facilitator and UNDP CO team Support and facilitate together with UNDP CO the launch of the collective action platform. 	8
	Final assignment report,	2
		27
4		

V. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

The consultant under the supervision of the Informal economy project manager and collaborate closely with the project coordinator and participate in periodical briefing calls.

VI. PAYMENT MILESTONES AND APPROVAL

In accordance with UNDP rules, the lump sum contract amount to be offered should consider the professional fee inclusive of travel, living allowances, and any other ancillary costs.

A winning Proposer shall then be paid the lump sum contract amount upon certification of the completed tasks satisfactorily, as per the following payment schedule:

INSTALMENT OF PAYMENT/ PERIOD	DELIVERABLES	APPROVER	PERCENTAGE OF PAYMENT
1st Instalment	Final Inception report	National Project Coordinator /Project Manager	20%
2nd Instalment	Draft detail report and action plan of the target sector (English and xxx)	National Project Coordinator /Project Manager	30%
3rd Installment	Approved training materials (ppt) and direct delivery of trainings (general trainings and ToTs) (English and xxxx)	National Project Coordinator/Project Manager	30%
4th Installment	Final assignment report, including final deep dive report, collective action plan, monitoring and reporting frameworks and training materials (ppt) (English and xxx)	National Project Coordinator/Project Manager	20%

VI. MINIMUM QUALIFICATIONS AND SKILLS REQUIREMENTS

Education

- A minimum of master's degree in Economics, Business Studies, Development Studies, or related field.

Experience

- At least 10 years professional experience in project management (including project design, action planning, monitoring)
- Proven private sector development and engagement experience.
- Proven experience in designing and implementing ecosystem development initiatives and platforms.
- Experience working in informal economy setting is preferred.
- Experience in developing training manuals and implementing training programmes
- Excellent report writing and presentation skills
- Experience of engaging with the Private Sector, government, and civil society organizations
- Experience working in xxx sector and subsector is preferred
- Clear understanding of informal economy development challenges, especially in the selected sector and country is preferred

Language requirement:

- Proficiency in English and xxx

X. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the Procurement Notice, qualified consultant is expected to submit both the Technical and Financial Proposals, each with the following weight:

- Technical Criteria weight is 70%
- Financial Criteria weight is 30%

ANNEX 7

Supporting Informal Enterprises Transition towards Sustainable Growth and Formalisation in the African, Caribbeans and Pacific Region

Draft terms of Reference (ToRs)

GENERAL INFORMATION

Agency:	United Nations Development Programme (UNDP)
Duty Station:	XXXX
Project:	Supporting Informal Enterprises Project
Title:	Ecosystem Platform Facilitator
Type of Contract:	XXXX
Post Level:	XXXX
Languages Required:	English
Starting Date	XXXX
Duration of Initial Contract:	One (1) year with possibility of renewal upon satisfactory performance and availability of funds

I. BACKGROUND

The United Nations Development Programme (UNDP) in partnerships with the Organization of African, Caribbean and Pacific States (OACPS) and with the financial support from European Union (EU) has designed a four-year project (2022-2025) to unlock the potential of informal economy for inclusive growth. The informal economy is a dominant feature of the African, Caribbean and Pacific Group of (ACP countries), representing a significant share of the economy and employment in the respective countries. Despite providing employment and income opportunities for many, informal economy employment is generally characterized by low productivity, low income, and high levels of poverty.

The project will be implemented in partnerships with different key stakeholders including International Labor Organization (ILO). It adopts various innovative approaches such as an ecosystem development approach at various levels. At the national level, it will develop and support implementation of favorable regulatory conditions and relevant incentives for businesses to formalize; address non-regulatory bottlenecks at the level of informal firms, themselves, among which issues pertaining to lack of awareness and capacity in terms of business skills, financial and digital literacy to adopt available tools to improve productivity and enhance access to finance and to markets; and intervene at the level of key intermediaries in the informal sector ecosystem, in particular aggregators (cooperatives and incubators) and financial intermediaries to create these favorable conditions.

The informal economy ecosystem is composed of different inter-connected and interdependent stakeholders whose actions eventually influence informal enterprises' ability to operate: the existence of gaps within the functioning of the ecosystem hinders this ability. At the sectoral level, the project shall support the establishment of collective action platform in a specific sector in each country to identify and address systemic gaps at a localized level to augment the global interventions for increased impact. The Project will provide mutually reinforcing actions to address cross-cutting challenges impeding informal sector progress, and through stakeholder collaboration mobilize informal sector operators' capacities, resources, and innovativeness to propel their growth and development. South-South and triangular cooperation will also be a key component of the project with the establishment of repositories of lessons learned from implementation and with the organization of knowledge sharing events to the benefit of all OACPS member countries

Country context/ information(to be completed by respective country offices)

UNDP in XXX is looking for the services of a national Ecosystem Platform Facilitator to support and facilitate the functioning of the XXX Ecosystem Platform. The Platform Facilitator will be responsible for coordination of stakeholders including governments, financial institutions, Civil society organizations (CSOs) , the private sector (MSMEs), research institutions, academia and producer organizations, associations to improve and support implementation of activities of the platform including implementation ,monitoring of the platform action plan, and mobilizing additional resources. S/he is expected to be knowledgeable about multi-stakeholder coordination,

have a good understanding of the xxx sector landscape and experiences in dealing with key public and private stakeholders and have technical knowledge on private sector development and engagement.

Duties and Responsibilities

Under the overall guidance of the UNDP in (mention the country) XXXX RR and platform stakeholders, and direct supervision of the National Project Coordinator,

The Platform Facilitator will undertake the following tasks:

Coordination / partnership management

- Undertake activities to operationalize(planning, implementation, partnership management, document management) the platform and ensure that all platform is operational/ functioning including the governance structure, partnership agreements, vision and collaborative action plan
- Promote and advocate for the development / strengthening platform among all active and potential stakeholders; and act as a first point of contact for platform stakeholders.
- In consultation with stakeholders organize, coordinate and facilitate platform meetings;
- Establishes, promotes and build effective partnerships through regular interactions with project stakeholders and share information transparently across the whole network, including by updating the platform website as well as the stakeholder mapping and database
- Ensure engagement of platform stakeholders in the planning and implementation of platform activities; with a view to strengthening and implementing recommended sector strengthening approaches
- To manage the project output in accordance with project documents, work plans and budgets and ensure that work is consistent with UNDP output 4 implementation strategy
- Develop concept notes for platform activities, and Terms of Reference (ToRs) for consultants as may be required
- Proactively engage with regulators and key stakeholders to improve the enabling environment to deliver platform development and expansion opportunities.

Monitoring and Evaluation

- monitor the work of the platform against the collaborative action plan, follow up to ensure successful implementation of platform activities, and hold platform members accountable for the delivery of work plan's outputs;
- Develop platform technical reporting mechanisms and prepare platform progress reports.
- Organize annual reviews of the performance of the platform based on the agreed-upon interventions
- Identify and support development and dissemination of knowledge products, best practices and lessons learnt from the platform and platform activities.
- In collaboration with stakeholder contribute to the Learning outcomes as per the donor requirements.
- monitor the implementation of decisions made by the platform stakeholders;

Capacity Building

- Design appropriate platform capacity development interventions including; trainings, mentorship and coaching programs for different stakeholder
- Support key stakeholders to contribute to state-wide and national policy development in relation to the platform xxxx that should contribute to business growth and international competitiveness and transformation of informal actors to formal sector.
- Building the visibility and profile of the platform stakeholders by promoting their role within and across the sector in the transformation of the informal economy.
- Identifying key strategic pathways (directions and relationships) to leverage initiatives to maximise the impact of the platform's role to support transformation of the informal economy and increase stakeholder competitiveness in the sector.
- Proactively engage with regulators and key stakeholders to improve the enabling environment to deliver platform development and expansion opportunities.

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- Identifying key strategic pathways (directions and relationships) to leverage initiatives to maximise the impact of the platform's role to support transformation of the informal economy and increase stakeholder competitiveness in the sector.
- Proactively engage with regulators and key stakeholders to improve the enabling environment to deliver platform development and expansion opportunities.

Resource Mobilization

- Develop a resource mobilization strategy for the platform and platform activities in close collaboration with the UNDP Country Office, including preparation of briefs and specific fund-raising strategies and approaches where useful. Key target group for resource mobilization includes donors, development partners, impact investors and other private sector players.
- Draft public information materials and online content in support of current and new partnerships and resource mobilization strategies.
- Interact with external partners (e.g. donors, development partners, impact investors, private sector) to advertise for and promote the platform and platform activities.
- Mobilize additional resources for the platform and platform activities in close collaboration with the UNDP Country Office.

Competences

- a. Facilitation skills: Successful convening and relationship-building – particularly in the early stages of a partnership – requires facilitator to manage a range of encounters between key players, whether in the form of one-to-one meetings, small group activities or larger task-oriented workshops. For the platform this also means to drive collective thinking and identify common ground to align strategies of stakeholders. In this role, the facilitator needs to listen actively, ask the right questions and play a neutral role on content in the negotiation process.
- b. Synthesising information & record keeping skills: The facilitator will need to be highly capable of managing complex data and layers of information and experience. He/she will need to ensure that meticulous records are kept of meetings and decisions
- c. Communication & presentation skills: A facilitator will need excellent communication skills especially in: social interaction; active listening; empathy; concise speaking; ability to tailor written communications to different audiences and conducting meaningful conversations. He/she will have to present the objectives of the platform or details about the partnership itself to different audiences, including potential funders. This requires good story-telling and presentation skills.
- d. Coaching & capacity building skills: As a partnership progresses, the facilitator will have a new focus – transferring responsibilities to partners. This involves stepping back from a front-line role and working in the background to support and coach individual partners or staff in building their own partnering and brokering skills.
- e. Institution capacity-building skills: The facilitator has a crucial role in increasing the engagement of partner organisations as well as helping each organisation become more 'fit for purpose' in their partnering approach. He/she will also need to help partners build governance and accountability procedures as the partnership itself becomes more 'institutionalised'.

Required Skills and Qualifications

Education

- At least bachelor's degree in international development, economics, business administration, or related field

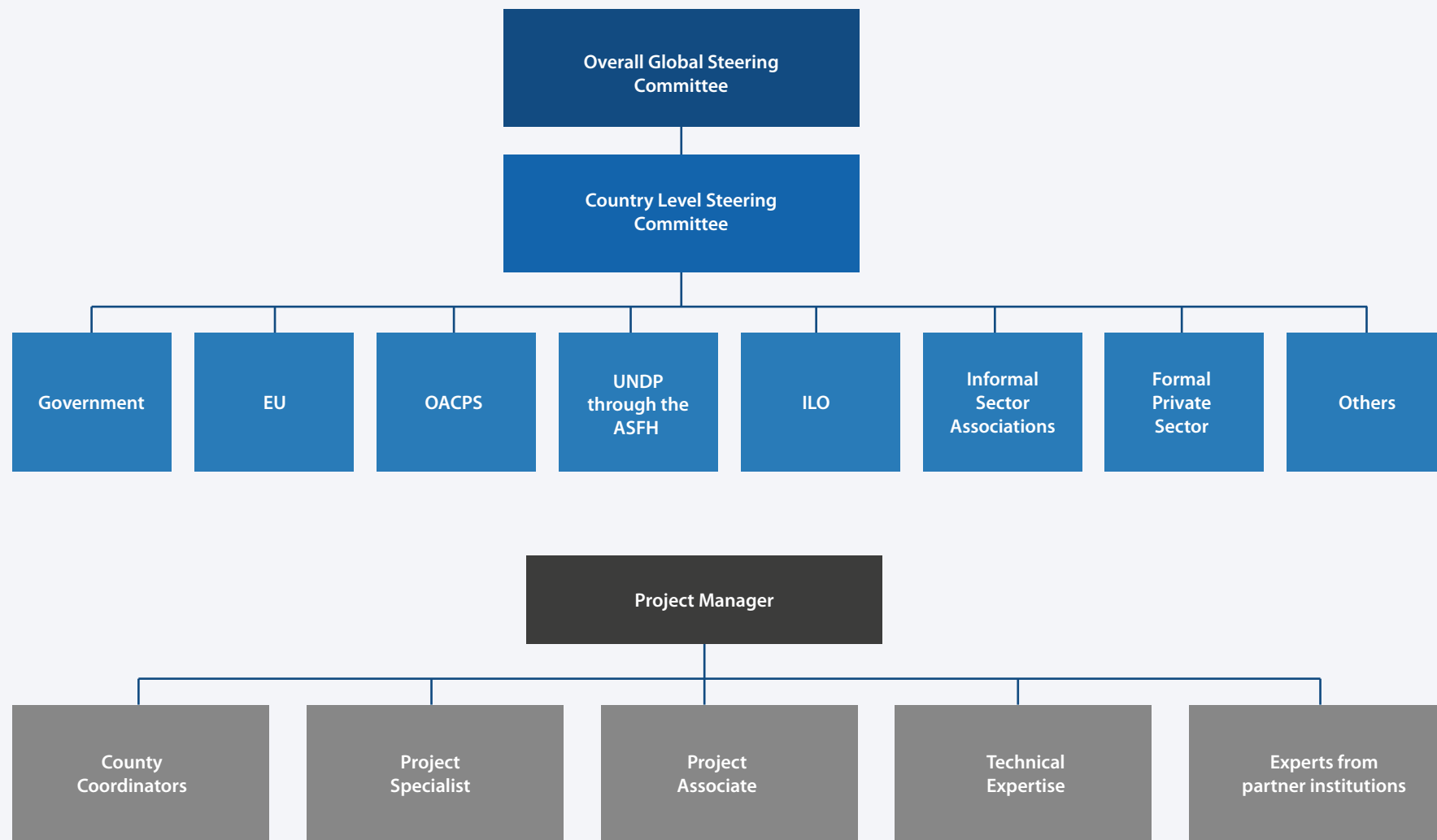
Experience

- At least 5 years of relevant experience in private sector, inclusive market development or coordination of multi-stakeholder processes;
- Good familiarity with XXX sector in XXX, including knowledge of relevant stakeholders;
- Credibility and strong network with the participating stakeholders and ability to play a neutral role and resolve conflicts;
- Strong communication and writing skills;
- Experiences of working in different political and cultural contexts and the commitment to adapt the processes to the current context;
- Excellent collaborative work style and understanding of multi-sectoral environments, including public and private sector needs;
- Experience with UN or other international organizations is an advantage.

Language requirements

- Fluency in English and XXX.

Project Governance Structure



**SUPPORTING INFORMAL ENTERPRISES TRANSITION
TOWARDS SUSTAINABLE GROWTH AND
FORMALISATION IN THE AFRICAN, CARIBBEAN AND
PACIFIC REGIONS**



Africa
Sustainable
Finance Hub