

## Request for Proposal Uganda Entrepreneurial Ecosystem Initiative November 2017

### I Background

Over the past few years the Aspen Network of Development Entrepreneurs (ANDE) has been convening key leaders in the small and growing business sector to share insights on how to best support entrepreneurship in emerging markets. A cornerstone concept for the convening is that entrepreneurship programs will be most effective if they embrace an [entrepreneurial ecosystem approach](#) in their design and implementation. This approach recognizes that the environment in which entrepreneurs operate is made up of many different factors, including physical, human and financial assets, government policies, networks, and the underlying business culture. It further recognizes that the entrepreneurial environment can vary widely across geographies, even within a single country or state.

A small group of participants has coalesced – under the ANDE umbrella - to support an entrepreneurial ecosystem initiative for Uganda that reflects this desire for an integrated, multi-faceted approach. Uganda represents an intriguing case that will be relevant to other African and emerging market countries. According to the Global Entrepreneurship Monitor, Uganda is one of the most entrepreneurial countries in the world as measured by start-up rates and the percentage of the population that owns a business. However, most of these firms start small and stay small. Entrepreneurs that seek growth face challenges in sourcing talent, market information and capital. As in many African countries, Uganda is home to many entrepreneurial support programs and initiatives, yet, the project participants believe that more can be done to better integrate and improve these efforts.

Initial funders for this project include the Argidius Foundation, the Dutch Good Growth Fund, and the Small Foundation. Other players, including ANDE, the Shell Foundation, Swiss Development Corporation and USAID, have been active participants in the planning committee and may provide support for later phases of the effort.

The consortium envisions a phased process for the initiative. The first phase will be an investigation and planning phase, where the consultant will develop a comprehensive diagnostic assessment of the entrepreneurial ecosystem in Kampala and one additional Ugandan region with a significant agricultural economic sector, as recommended by the selected consultant. Based on this assessment



and consultations with key Ugandan stakeholders, the consultant will also develop a plan for the implementation of a five-year strategy to improve the entrepreneurial ecosystems in two Ugandan regions. Contingent upon approval by the consortium and buy-in from local actors, the actual implementation of the strategy would constitute phase two of this effort. The implementing organization in phase one will be eligible for, but is not guaranteed, the phase two contract. We expect phase II will be a multi-year, multi-million-euro initiative.

For the purposes of this request for proposal, we seek responses that would complete phase I of the proposed initiative.

## II Key Research Questions

There are several important questions that we would like to address in this first phase, including:

- Broadly, what is the present state of the entrepreneurial ecosystem in Kampala and the second region? What are the key strengths and weaknesses? Beyond just starting up, do entrepreneurial firms often scale in the region?
- What are the key challenges facing entrepreneurs? Entrepreneurs in general, and specifically:
  - Do existing small firms face more challenges than start-ups?
  - Do female entrepreneurs face distinct challenges as compared to male entrepreneurs?
  - Do social entrepreneurs face distinct challenges as compared to “traditional” entrepreneurs?
  - Do youth entrepreneurs face distinct challenges compared to older entrepreneurs?
  - Do rural-impacting entrepreneurs face distinct challenges compared to urban-impacting entrepreneurs?
- What are the key challenges facing entrepreneurial support organizations?
- Which are the key institutions (public, private, academic, non-profit) which impact the entrepreneurial ecosystem? How should they be supported/strengthened?
- What is the level of productive interaction (networking and knowledge sharing) between key organizations?
- Does the underlying business culture support or hinder entrepreneurial ventures?
- Based on the answers to the above questions, what are the outlines of a comprehensive, multi-year entrepreneurial ecosystem strategy initiative for Kampala and the second region?
  - What kind of different learning and outcomes will come from looking at these two regions?
  - What implementation approach should be applied?
    - What actions are necessary over what time period?
    - Who are the key players that should be engaged?
    - How much will it cost?
  - How should the impact of the effort be evaluated?

## III Project Design

The assessments shall leverage the [ANDE Entrepreneurial Ecosystem Diagnostic Methodology](#) or a similar comprehensive approach. Such an approach should include a review of existing data and reports, surveys

and interviews of key local stakeholders as part of the methodology. Consultants will be expected to conduct the assessment of the Kampala region and the other identified region (for which the selection rationale shall be clearly outlined as part of the proposal) utilizing this methodology.

In addition, we expect that initial findings from the work will be tested and validated with local stakeholders and final work and recommendations will be shared as part of a stakeholder gathering in Uganda. Ideally, the presentations will help build local ownership and interest in participation in the second phase of the project.

As part of the phase I process, the consultants will be supported by the East Africa Chapter of ANDE, who has already completed an [initial mapping of key entrepreneurial ecosystem actors in Uganda](#) and has compiled relevant research on the topic. A staff person will be assigned to help the consultants facilitate contacts across the ANDE network.

#### IV Expected Deliverables

The final deliverables should be of professional design and editing quality, and include compelling visuals as well as text. Written documents should be provided in Word and/or PowerPoint format, and at a minimum, include:

- A comprehensive assessment of the current entrepreneurial ecosystem in Kampala and the second region.
- Recommendations for short and medium term actions to improve the two regional ecosystems.
- A draft strategy for a comprehensive entrepreneurial ecosystem development initiative in Kampala and the second region that includes anticipated and tangible outcomes, results and impact and an indicative timeline, list of key participants, and budget.
- A short and highly accessible summary document that summarizes the ecosystem assessment, short/medium term recommendations, and the draft strategy for the phase II comprehensive assessment.

The findings should also be shared in a public event or workshop(s) in Uganda.

#### V Proposal Requirements

Any institution or partnership of multiple institutions is eligible to submit a proposal.

Potential consultants should provide a proposal that offers a clear scope of work and complete description of the approach they would take to implement their proposed work plan. The proposal should include:

- A brief summary at the beginning of the proposal (no more than half a page), that should include: the names of the two regions to be assessed, the names of the organizations participating in the consortia, and the total cost of the proposal.
- Background on the firm/organization(s) that are in the proposal.
- Examples of previous relevant work in assessing and/or developing entrepreneurial ecosystems.
- Description of understanding and experience related to the Ugandan economy and entrepreneurial environment.

- Detailed explanation of the proposed methodology to answer the key project questions and develop the overall strategy. Include any additional key questions or question refinements that you think are appropriate.
- A proposed scope of work that lists specific activities and deliverables, including the rationale for the selection of the second region.
- Key risks to successful completion and associated mitigation steps.
- A timeline of activities presented in chart format.
- A detailed proposal budget, outlining specific activities and associated costs.
- (As Appendix) A draft list of local stakeholders you would plan to engage in the two regions
- (As Appendix) Names and bios of key personnel who would work on the project, outlining their respective roles and tasks.

## VI Timeline, Budget and Application Process

We expect that this phase I assessment will be completed in no longer than six months. A maximum of €100,000 has been allocated to cover the consultant's full costs for the phase I activities.

Proposals are **due on by 11:59 pm East African Time (EAT) on December 6<sup>th</sup>, 2017**. We expect proposals would not extend beyond twelve pages, excluding appendices.

We expect the initiative to proceed under the following timeline:

Wednesday, 8 November 2017	RFP Released
Tuesday, 14 November 2017	Deadline to send clarifying questions (as needed) Please send inquiries to <a href="#">Khatuchi Khasandi</a>
Wednesday, 15 November 2017	Webinar to answer applicant questions
Wednesday, 6 December 2017	Submission deadline
Friday, 22 December 2017	Winner notified by email
No later than 12 February 2018	Project Launch
No later than 15 August 2018	Project completion

The RFP process will be managed by ANDE and guided by a selection committee made up of representatives of the initiative funders in addition to other key stakeholders who are engaged in supporting entrepreneurship in Uganda.

Criteria for proposal evaluation will include:

- Clarity of the Proposal
- Quality and Feasibility of the Proposed Workplan
  - Research Methodology
  - Timeline

- Quality of the Proposing Institution(s)
  - Demonstrated knowledge of emerging market entrepreneurial ecosystems and/or other areas of related knowledge of entrepreneurship topics
  - Research acumen
  - Understanding of the Ugandan entrepreneurial ecosystem
  - Expertise of project team members
- Cost Effectiveness of the Proposal

## VII Background on Consortium Members

The **Aspen Network of Development Entrepreneurs (ANDE)** is a global network of 260+ organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs will create jobs, stimulate long-term economic growth, and produce environmental and social benefits. Ultimately, we believe that SGBs can help lift countries out of poverty. ANDE is part of the Aspen Institute, a non-partisan forum for values based leadership and the exchange of ideas.

The **Argidius Foundation** promotes the growth of small and medium sized enterprises (SME) in order to improve the lives of the poor through increased income generation. Argidius helps build effective ecosystems that provide SMEs with the right services in all stages of their growth:

- By supporting growing SMEs to be investment ready and gain access to finance
- By providing tailored capacity development services that enable entrepreneurs to meet the challenges of growth, such as incubation, acceleration, training, coaching, mentoring and networking

The **Dutch Good Growth Fund** is a “fund of fund” investment initiative from the Dutch Ministry of Foreign Affairs that aims to improve financing for the “missing middle” – i.e. entrepreneurs who have outgrown micro-finance but do not yet have access to conventional capital markets. The Seed Capital and Business Development (SC&BD) facility is established to further the impact of the DGGF by providing Technical Assistance, Seed Capital and Business Support Services to intermediary funds and local SMEs. In addition, the program incorporates a knowledge development and sharing component that supports research, tests assumptions and shares insights on financing SMEs in developing countries and emerging markets - fostering industry-wide knowledge exchange.

The **Small Foundation** is working to end extreme poverty and chronic hunger in sub-Saharan Africa by 2030. Small Foundation aims to do this by catalyzing the proliferation of sustainable income-generating opportunities for extremely poor people in rural areas, most of whom are smallholder farmers. To that end, Small Foundation supports finance and technical assistance providers that improve the business ecosystem for on-farm and off-farm micro, small and medium rural enterprises by expanding access to knowledge, finance, technology, and markets. Small Foundation supports highly-leveraged interventions that do this in ways that are effective, sustainable and scalable.

## Additional Information

Please contact [Khatuchi Khasandi](#), ANDE East Africa Senior Program Coordinator by November 14<sup>th</sup>, 2017 with any questions about this request for proposal or the overall project. Note that all questions

and answers may be made public either via the ANDE website or as part of the webinar that will address potential respondent questions.