



TERMS OF REFERENCE (TOR)

“Capacity Building of the Programs and Projects Unit at the Ministry of National Economy”

The Innovative Private Sector Development Project (IPSD)

1) PROJECT BACKGROUND OBJECTIVES:

The Innovative Private Sector Development Project (IPSD) is a Ministry of National Economy (MoNE) project funded by the World Bank (WB) and implemented by DAI as a Project Implementing Agency (PIA). IPSD is a US\$22 million project with the objective of improving economic opportunities for individuals and firms in the West Bank and Gaza (WB&G). It also falls under the World Bank’s overarching objective to alleviate market failures related to gaps and binding constraints in the entrepreneurship ecosystem of the digital economy including human capital, financing, product markets, enabling policies, institutional support, and connectivity.

The IPSD project has the overarching objective of creating conditions that incentivize the private sector and simultaneously mitigate the risks faced while investing in a fragile and uncertain environment. It will support reforms to create an environment where private sector investment and jobs can grow. The project’s components are aligned to major Bank and Government objectives of: i) increasing ties to regional markets; ii) building skills for the private sector’s labor market needs; and iii) business environment reform. The project addresses the Palestinian National Policy Agenda (2017-2022) and its focus on improving Palestinian human capital. IPSD will also support the mobilization of private sector finance by addressing key constraints on the sector caused to a large extent by the fragmentation of and the restrictions upon the Palestinian territories. Through top-down support on policy and framework-building combined with bottom-up support on skill development and pilot initiatives, binding constraints will be addressed to attract private capital and foster sustainable private sector growth.

The IPSD intervention is intended to improve economic development and employability by alleviating market failures related to gaps and binding constraints in the entrepreneurship ecosystem of the digital economy.

The Ministry of National Economy is committed to improving the business climate through a range of projects, including the IPSD project. It falls under the mandate of the MoNE to manage donor projects and coordinate different interventions; more specifically, the task of coordinating and managing projects is the responsibility of the Project and Programs Unit (PPU) at the MoNE. The IPSD project, partly through

technical advisor to the Ministry will provide continuous capacity building to the MoNE, including in the area of management of donor's projects, grants, and related financial and procurement procedures. This capacity building will improve the ability of the PPU to efficiently manage projects, better align interventions with national strategy and ensure effective coordination amongst different stakeholders.

2) OBJECTIVES AND JUSTIFICATIONS OF THE ASSIGNMENT

The Ministry of National Economy is keen to improve its policies and procedures that promote sustainable economic growth through its sectoral economic strategy of 2017- 2023. The strategy focuses on strengthening the Palestinian economy through the diversification of trade partners, development of local industry to enhance its competitiveness and by encouraging investment in Palestine.

Within the mandate of the Ministry of National Economy, multiple programs and project are always in place to assist the Ministry in achieving the strategic objectives. Increased interest in strengthening the Palestinian private sector has led to a strong number of programs and projects being concurrently implemented highlighting the need to streamline the management of these initiatives, and to ensure suitable assignment of resources within the relevant Ministry office that oversees projects.

With this understanding at the MoNE, the PPU within the Minister's Office looks to enhance its processes and capacity as it has faced challenges in meeting the needs of the Ministry in properly manage programs and projects. Through consultation with the Minister's Office, there was a necessity to equip the PPU with modern practices and process guidelines on project management in addition to the need for building the capacity of existing staff at PPU on the modern practices and process guidelines.

Under the current structure and practices, the limited resources (staff, tools, and technology) have resulted in poor project delivery practices, insufficient coordination and sporadic reporting on different programs MoNE is coordinating

In the past, there were multiple attempts to improve project delivery mechanisms at the Ministry focusing primarily on assigning skilled individuals to enhance the status-quo of the project management culture. However, these efforts did not result in standardized set of project management guidelines and processes, , and thus; the enhancements to the project management practices were very hard to sustain. This capacity building assignment has a different approach where it looks at staff capacities while also focusing on creating the practices needed to enhance project management guidelines and processes in the PPU at the MoNE.

3) TASKS AND DELIVERABLES

The main tasks for this assignment are focused on the PPU of the Ministry to conduct: An Initial Review of previous initiatives to improve project management; Capacity Assessment; and the Development of Project Management Operations Manual for enhancing processes and operations of the PPU.

Task 1: Initial Review of previous initiatives to improve project management

The Consultancy Firm shall conduct rapid mapping using desk review on previous initiatives conducted to enhance the **process of managing projects** at the ministry in the last 10 years. The review shall include compilation and high-level assessment of previous studies, projects, initiatives, and decisions that were part of enhancing the project management processes and structures of the PPU. Whether the recommendations/processes were implemented and their status, as well as lessons learned.

Task 1 Deliverables:

- **Deliverable 1.1:** Project implementation plan within two (2) weeks from signing the contract.
- **Deliverable 1.2:** summary on previous interventions of enhancing the project management environment at the Ministry of National Economy

Task 2: Capacity Assessment

The Consulting Firm shall conduct capacity assessment, establish a baseline, and develop recommendations covering the following main topics:

1. Organizational setup, Staff capacity and skills:

- a) Identify the status of MoNE's unit of programs and projects (structure, staff, job descriptions, roles and responsibilities, skills, existing guidelines and processes, tools...etc.),
- b) Assess current staff's skills, knowledge, and experience in the area of project management (project initiation, planning, grant management, procurement, finance reporting, M&E and close-out).
- c) Identify previous trainings, capacity building initiatives, and coaching provided to ministry that focused on building the capacity of MoNE/PPU staff in the field of

program management, budgeting, reporting, and grants provision; and whether the trainings achieved the goals, as well as lessons learned from these initiatives.

- d) Develop recommendations for better unit structure, guidelines & processes that need to be developed, and skills that need to be enhanced.

2. Project Management Processes:

- a) Inventory of projects currently underway, brief description of each project, the implementation agency, status, duration, and budget. Work with the PPU in the initial screening stage to identify other metrics to be captured in the baseline.
- b) Assess processes and procedures, as well as support functions on the following Project Management key areas:
 - The development of project scopes, schedules, terms of reference, proposals, status reports, closing reports...etc.
 - Financial management rules and processes, including budgeting etc. • Procurement rules and processes currently in place
 - Grants management rules and processes and capacity of implementation.
 - Processes related to monitoring and evaluation, project oversight, progress and budget reporting.
- c) Develop a project management manual outline (skeleton): the consulting firm shall work closely with PPU and develop agreed-upon structure for the manual and its content.

3. Project Management information Technology infrastructure (Tools):

- a) Review existing project management and IT tools/systems used by the PPU
(financial, procurement, and HR tools being used at the Ministry as well)
- b) Review whether these tools are standardized and being used by employees
- c) Review skills of PPU staff on the use of these tools
- d) Develop recommendations for updating existing systems or acquiring new modern Project Management system(s)

Task 2 Deliverables:

○ **Deliverable 2.1: Capacity assessment report** on the main findings of the assessment of project management capacity at the Ministry outlining the following:

- a) Assessment of the PPU structure, staff's capacity and skills: develop a baseline data on PPU, structure, employees, skills and knowledge, review of established job descriptions for the PPU staff as well as identifying gaps between the established job descriptions, their current skills & knowledge and international best practices in project management.
- b) Assessment of the project management process. Baseline data on the current Project management system at PPU: this section of the report shall enlist projects currently underway as prescribed in task 2.A as well providing a full assessment of the PM practices (processes and procedures) covering all key project management knowledge areas as outlined in task 2.B. The firm can choose to deploy PMI's¹ Project Management Maturity Model or other tools of their choice to present the baseline
- c) Assessment of the information technology infrastructure used by the PPU. the report shall also provide details on the current IT systems, support structures, and programs of the PPU. This includes providing details on software used by the financial, procurement and HR departments at the Ministry and whether PPU staff have access to these programs or not.

○ **Deliverable 2.2: Develop high-level recommendations:** this should include:

- a) Customized capacity building/training program for the PPU: Identify areas for needed trainings and coaching, as well as putting forward recommendation/justification for hiring/ assigning staff from other departments if necessary to fill identified skills gaps
- b) Outline of the project management manual: develop agreed-upon structure for the

manual and its content. The approved structure shall be part of the deliverable

- c) Outline IT systems upgrades requirements (i.e. updating existing systems or acquiring new modern Project Management system)

¹ PMI: Project Management Institute

Task 3: Establish project management operations manual and build the capacity of PPU staff

1. Develop a complete Project Management Operations Manual for the PPU. Based on the findings above, the firm shall work in close coordination with the DAI and the Ministry to define the **scope of the PM operations manual** that will include at minimum the following:

- a) Relevant background information, introduction, and description of the project lifecycle management
- b) Procedures, forms, and templates covering the following:
 - Project mobilization and planning
 - Project management and supervision of implementation
 - Monitoring, evaluation standards and reporting guidelines
 - Procurement procedures management manual and guidelines
(planning, procurement of goods and services, reporting...etc.)
 - Financial management guidelines and procedures (planning, reporting, auditing...etc.)
 - Grant management guidelines and procedures (designing, launching, processing...etc.)

2. Conduct Capacity building:

- a) Carryout training and coaching sessions per requirements for customized training and coaching requirements (deliverable 2.2-A)
- b) Provide training and capacity building on the use of the newly developed project management operations manual
- c) Provide a plan for continues improvement after the conclusion of this assignment.

4. Develop recommendations (if necessary) on a suitable staffing of the PPU and identify (updated) roles and responsibilities and related skills, benchmarking best practices and continuous improvement.

Task 3 Deliverables:

- **Deliverable 3.1** Project Management Operations Manuals including all necessary forms and templates
- **Deliverable 3.2** Develop and carryout needed training/coaching sessions and submit a summary report on the capacity building training workshops including training material, presentations, attendance sheets, and lessons learnt.
- **Deliverable 3.3** A report that include recommendations for staffing the PPU and the plan for continuous improvement (future training needs after the conclusion of this assignment)
- **Deliverable 3.4** Project final report in Arabic and English.

4) SCHEDULE OF DELIVERABLES

The deliverables and deadlines are summarized in the following table .

Milestone	Deliverables	Timeline
Milestone 1	<ul style="list-style-type: none"> - Deliverable 1.1 Project implementation plan within two (2) weeks from signing the contract. - Deliverable 1.2: summary report presenting main findings on the initial review 	<p>D1.1 in 2 weeks</p> <p>D1.2 in 6 weeks</p>
Milestone 2	<ul style="list-style-type: none"> - Deliverable 2.1: Capacity assessment report detailing the following <ul style="list-style-type: none"> • PPU staff’s structure, staff, and skills • project management process • information technology infrastructure - Deliverable 2.2: Develop high-level recommendations <ul style="list-style-type: none"> • Capacity building program • Project management manual outline • Recommendations on IT infrastructure upgrades 	In 3 months from the completion of Milestone 1
Milestone 3	<ul style="list-style-type: none"> - Deliverable 3.1: Project Management Operations Manuals including all necessary forms and templates 	In 8 months from signing the contract
Milestone 4	<ul style="list-style-type: none"> - Deliverable 3.2: Carryout needed training/coaching sessions and submit a summary report - Deliverable 3.3: Develop recommendations on future staffing and continuous improvement 	Two months from the completion of milestone 3
Milestone 5	Project final report in Arabic and English	one month after the completion of milestone 3

5) SPECIAL TERMS AND CONDITIONS

In the context of the assignment, the Consulting firm will work closely with the PIA and MoNE to conduct the assignment. The following conditions should also apply:

1. All deliverables must be approved by MoNE and PIA.
2. All deliverables must be delivered in Word, Excel formats and PDF.
3. Final deliverables must be provided in English, and in Arabic.
4. The Consulting firm is required to submit brief progress reports to the PIA and MoNE summarizing completed tasks, delayed tasks, issues and risks, and next steps every month

6) DURATION OF THE ASSIGNMENT:

The assignment is planned to be completed within 10 months. Estimated Level of Effort is 120 working days.

7) QUALIFICATIONS OF CONSULTING FIRM

The Consulting firm selected for the implementation of the above assignments should possess the following:

1. Technical capacity:

- The Consulting firm must have proven professional capacity and previous experience in similar projects undertaken in the field of organizational capacity development in the field of project management. Including review of their delivery mechanisms, review of processes, development of new procedures and manuals, capacity building and training.
- Firm shall demonstrate experience developing project management manuals preferable for government organizations (project planning, procurement management, scheduling, HR management, grants management, financial management, reporting, and monitoring and evaluation)
- Prior experience working with project management IT solutions
- Evidence/contracts for similar projects/assignments during the past 5 years
- Reference list of assignments (minimum three) executed during the last 5 years, indicating the following information: Name of the client, contact (e-mails and telephone numbers of the customer), description and time of completed assignments, the value of the contract, etc.

2. Financial capacity to implement the assignment (PIA has the right to ask for financial documents, including recent audit reports, and bank financial statements).
3. Proof of its personnel capacities by delivering CVs and certificates for experts with relevant experience in the enhancement of project management systems. The firms shall display their capacities in the following:
 - a) Human Resources: experience in evaluating human resources, skills, experience, and benchmark with international best practices in the field of Project Management
 - b) Project Management: experience in project management, in developing project management systems, project management offices, analyses of current PM processes and procedures (planning, HR, procurement, financial, scheduling, reporting, M&E...etc.) preferable in public sectors.
 - c) Demonstrated knowledge and experience working with project management solutions and IT tools. ISO and/or PMP certification is a great asset.
 - d) Training: experience in the provision of training and coaching in the field of Project Management applying best practices, preferably in the public sector
5. Must have experience working with and an understanding of Palestinian Government and Institutions and structures.
6. Proven experience with Project Management and donor relations and requirements. An in-depth understanding of project functions, reporting structures and requirements.
Knowledge of private sector projects and development.

The proposed Consulting firm will work closely with the PIA and MoNE, and other key stakeholders to conduct the assignment. The Consulting firm is expected to identify the key experts that cover all aspects of the assignment, as well as to provide a level of effort for experts for both online and remote engagement. The Consulting firm can be a consortium/joint venture to meet the qualifications and requirements of the assignment.