**Annex A**

**USAID Kosovo Compete Activity**

**Scope of Work**

## Project Background

The USAID/Kosovo Compete Activity (hereinafter “USAID Compete Activity,” “Compete” or simply “Activity”) is funded by the United States Agency for International Development (USAID) and is implemented by Cardno Emerging Markets USA, Ltd. (Cardno) as prime contractor, along with Recura Financials and Canopy Lab as subcontractors.

Compete is a five-year USAID activity (August 2020 – August 2025) whose main objective is to facilitate the private sector’s improved competitiveness in local, regional, and international markets. Compete’s implementation approach is based on “market systems development (MSD).” This approach is part of an evolved thinking within USAID to support private sector development through addressing systemic constraints that prevent market systems from being self-sustaining.

Based on the aforementioned approach, USAID Compete Activity seeks to empower and partner with companies, organizations, and relevant institutions through a facilitative approach that addresses systemic constraints. In a departure from direct firm interventions, the MSD approach seeks to support Kosovo to move toward self-sustaining private sector development by promoting resilient market systems.

USAID Compete Activity focuses on the following export-oriented sectors:

* Wood Processing;
* Information and Communications Technologies (ICT); and
* Food Processing.

USAID Compete Activity’s work in all of its focus sectors is organized along five functional areas:

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| **Functional areas** | **Description** |
| Market Access | Facilitate market links between local companies and regional/international markets. |
| Diversified Finance | Support diversification of available financial products for local exporters. |
| Business Sophistication | Facilitate improvement of in-company management systems, structures, and tools. |
| Skills Development | Support the improvement of provision of industry-relevant skills. |
| Supporting Business Environment | Facilitate the improvement of capacities of relevant institutional actors, associations, and service providers to deliver improved services. |

## Activity Background and Rationale

Kosovo’s ICT sector is key enabler for the country’s economic growth and development, as well as the transition to the knowledge-based service economy. In 2015, a very detailed national ICT strategy was developed involving various stakeholders. Most of the suggested initiatives were implemented, while some have remained unimplemented. However, capabilities of Kosovar companies and sector opportunities have changed considerably in recent years i.e. the number and capacities of Kosovar companies have grown remarkably during this period, and there are new ICT trends both in Kosovo and around the world.

Building on the lessons learnt, as well as successes that the Kosovar ICT sector has achieved in the past 6 years, an *update of the national ICT strategy is required*. The resulting refreshed national ICT strategy would not only reflect the current situation and capacities of the Kosovo ICT industry but also define the strategic objectives for the ICT sectors and subsectors for the coming 3-5 years. It should also reflect recent and upcoming trends in the sector and target markets and should become user-centric and allow for easier and more modular implementation by various players involved.

The ICT sector in Kosovo has significant potential to grow in the future and to become an important driver of growth, a source of employment and with significant potential to induce innovation within other sectors through new ICT solutions. Across the globe, information technology (ICT) is permeating and transforming the economy, the public sector as well as society at large. This trend towards digital transformation has put ICT sector promotion as a top priority on the agendas of many governments. The Kosovo government has recognized the strategic importance of the ICT industry for economic development and structural transformation towards a knowledge-based economy. The COVID-19 pandemic has highlighted the indispensable role that ICT products, services, and components play in supporting the economy and keeping citizens connected, including facilitating enabling employees to work remotely, keeping students engaged through remote learning, and enabling critical infrastructure through secure networks, data centers and cloud services.

*So far, USAID Compete, in keeping with its role as a facilitator in improving sector-wide competitiveness in the ICT sector, has consulted widely with relevant government counterparts, with private sector actors, and sector representative organizations including STIKK and the Innovation Center Kosovo. In light of these consultations, a joint decision has been reached between key stakeholders about the importance of launching the development of a new national ICT strategy that reflects shifting dynamics and ongoing trends, and potentially positions all important actors to take advantage of opportunities for the Kosovo ICT industry. As a result of this consensus, USAID Compete has agreed to provide technical support to the development of the national ICT strategy, which is the primary purpose of this RFP. In short, through this RFP, USAID Compete is seeking capable companies or entities that can support the sector association, government and other key stakeholders in drafting a new national ICT strategy.*

## Scope of Work: broad outlines

The Kosovo Ministry of Economy is the technical line ministry mandate to support the government’s digital agenda, while the Kosovo Association of Information and Communication Technology, STIKK, is the ICT sector’s sector association. Both have recognized the lead to provide strategic direction to the Government of Kosovo regarding support to the strengthening of Kosovo’s ICT sector. In that regard, USAID Compete has facilitated these efforts and has reached an understanding with Ministry of Economy representatives and STIKK to support the process of developing a new national ICT strategy. This Scope of Work outlines the required services from prospective bidders to support Government of Kosovo to develop the new strategy, including costing of measures, an implementation roadmap and anchored in the local context. Any strategy developed will need to be sensitive to local realities, in terms of current ICT access and adoption, institutional capacity and resources, balancing a forward-looking and ambitious strategy with a pragmatic and phased approach.

1. **Undertaking an ICT market inventory and gaps analysis**

The selected consulting company is expected to begin by conducting a comprehensive baseline assessment of the ICT sector in the country across infrastructure, ecosystem, and services. The selected bidder should also be taking stock of the current ICT context – undertaking a mapping exercise to, for example, detail what ICT resources, capacity, legal framework, platforms/channels, export markets, trends and e-gov services are currently available. The consultant is expected to provide a gap analysis, which also references models used by other countries.

1. **Developing a strategy document**

Based on the inventory and gap analysis above, the selected bidder(s) will help the Ministry of Economy and STIKK to articulate a high-level ICT vision and strategy document, contextualized to the challenges facing Kosovo. The 3-5 year strategy developed is expected to reflect best practices, in relation to its approach and principles, favoring integration, transparency, resources efficiency, security and heavy end-user focus. The selected consulting company should deliver a comprehensive national ICT vision, strategy, and master plan composed of strategic themes, objectives, ICT programs, and initiatives. Consulting company should be able to produce a comprehensive document that would provide an economic impact assessment of the ICT strategy, including a target ICT contribution to GDP in the next 3-5 years, and a clear idea of what the sector’s role would be in the overall economy.

1. **Developing an implementation roadmap**

The selected consulting company will be expected to support the Ministry of Economy and STIKK, in developing a phased implementation roadmap of the strategy that identifies the overall ICT master plan and investment requirements, and defines the governance model for the strategy implementation. The selected consultant should identify key building blocks that are priorities in terms of financing, but also identify quick wins (e.g. sectors/subsectors to prioritize, given costs and capacity constraints), in order to facilitate operationalization. The roadmap is also expected to include key milestones, roles and responsibilities, key problem definition statements, proposed mitigation measures or actions, desired outcomes as well as metrics for measuring success, which supports the operationalization of the strategy. Objectives should be specific, measurable, attributable, relevant, and time oriented.

1. **Stakeholder consultation and validation**

The successful implementation of the strategy will depend on building consensus among concerned stakeholders, around an agreed platform of realistic priorities. To this end, key stakeholders are to be identified and included in the analysis, strategy formulation, as well as in implementation planning processes to promote local ownership at every stage. The selected bidder(s) is expected to support the Ministry of Economy and STIKK by facilitating a series of consultations with stakeholders. In addition, the selected bidder(s) is expected to support the Ministry of Economy in holding interim and final validation workshops with key sector, government, civil society officials and STIKK for the new national ICT strategy to both receive feedback for updating it as necessary and reflect it in the implementation plan.

## Tasks of the bidder/contractor

The contractor will inter alia implement the following tasks and activities:

1. Define and implement a methodology and process model for the elaboration of the National ICT Strategy, based on the results of the:
   1. 2016 National ICT Strategy (2016 NICTS) document review
   2. Baseline study of ICT sector in Kosovo
   3. Fact finding mission
   4. Joint strategy workshop.
2. Build capacities of stakeholders involved in the strategy development process concerning ICT strategy concepts and tools (e.g. strategy maps, scenario techniques transformation roadmaps, agile planning, scorecards, , open innovation, dynamic capabilities, etc.).

* Facilitate and moderate the ICT strategy development process according to the predefined methodology and phases/strategy components.

The selected bidder will be responsible for elaborating together with the relevant stakeholders, the following ICT strategy milestones:

1. **Milestone 1: Strategy initiation phase**
   1. Kick-off meeting: establishment of a functional organizational steering structure (e.g. ICT Strategy Task Force, steering committee, project management unit, and an ICT strategy working group) for collaborative ICT strategy development, including all relevant stakeholders from public and private sector, non-governmental and civil society, formal and informal groups, academia, VET and training.
   2. Define mode of cooperation, regular communications, objectives, next steps, documents to review.
   3. Document review (National ICT strategy 2016 document, existing analyses of the ICT sector conducted by government and ministries, development agencies and donors, USAID, etc.). The task will be performed in close cooperation with STIKK and Ministry of Economy.
      1. Draw new stakeholder map (considering previous strategy map).
   4. Workshop with Steering Committee.
      1. Define stakeholders to be included and assembled for consultation meetings.
   5. Finalize the stakeholder map and consultation process.
2. **Milestone 2: Review of existing strategy and strategic focus - stakeholder consultation process I** 
   1. Draft SWOT analyses per sector and overall.
   2. Present SWOT analyses to steering committee and afterwards to reference group.
   3. Research international good practices and suitable approaches.
   4. Interim report: SWOT of the existing strategy.
3. **Milestone 3: Strategy options and prototype ideas for strategic pillars**
   1. Facilitate consultation meetings to develop options and prototype ideas for strategic pillars.
   2. Facilitate workshop to define objectives for the new strategy.
   3. Inception report for the fact finding phase.
4. **Milestone 4: Strategic analysis**

Development of a short internal and external analysis based on the results of the 2016 NICTS, baseline study and fact finding mission, in order to identify the specific capabilities and challenges of the Kosovo ICT industry, as well as potential strategic directions, target markets and key success factors for exporting to these markets.

1. **Milestone 5: Goals and generic strategy**
   1. Define the vision, goals and sub-goals (“target-system”) for the National ICT Strategy for Kosovo 2023-2027 as well as the generic positioning strategy.
2. **Milestone 6: Strategic pillars and measures**
   1. Based on the results of the 2016 NICTS document, redesign and develop a modular system including all necessary strategic pillars (e.g. business enabling environment, digital transformation, access to diversified finance, access to markets and export promotion, skills development - education & training, business sophistication and excellence, etc.) as well as the corresponding support measures/tasks needed for achieving the goals of the new National ICT Strategy 2023-2027.
3. **Milestone 7: Operational plan**
   1. Develop and elaborate an operational plan for the strategic pillars, to be identified (e.g. "skills development“, “market access and export promotion”, "access to diverisfied finance“) including tasks, activities, responsibilities, KPIs, resources and timing. The operational plan for these strategic pillars is supposed to serve as a prototype to make operational the other strategic pillars.
4. **Milestone 8: Organizational structure and processes for implementation:** 
   1. Define and establish the organizational structure (e.g. committees, working groups or task force(s) for each strategic pillar) as well as the necessary processes and tools in close collaboration with the stakeholders. As a result, a fully operational and sustainable implementation structure needs to be in place, communicated and documented.

For each of the above mentioned and other strategy components not mentioned, the the selected bidder is required to conduct workshops and to establish the necessary capabilities, skills and knowledge among the stakeholders in order to ensure the continuity and sustainability of the strategy development and implementation process.

The selected bidder is also required to establish a functioning collaboration and knowledge management system (e.g. SharePoint Portal etc.) to enable an effective and participatory development and implementation of the National ICT Strategy for Kosovo.

## Deliverables

The selected bidder/contractor will deliver the following documents / results:

1. Document describing the organizational structure for collaborative ICT strategy development.
2. Document describing the methodology, process models and tools for the elaboration of the National IT Strategy.
3. Documented results of the ICT Strategy Section - Milestone “strategic analysis”.
4. Documented results of the Milestone “goals and generic strategy”.
5. Documented results of the Milestone “strategic pillars and measures/tasks”:
   1. description of all strategic pillars *(revised and updated)* of the National ICT Strategy as well as the corresponding support measures/tasks.
6. Documented results of the Milestone “operational plan”:
   1. operational plan *(revised and updated)*  for the strategic pillars “Export promotion” as well as “Education & training” including tasks, activities, responsibilities, KPIs, resources and timing.
7. Documented results *(revised and updated)* of the Milestone “organizational structure and processes for implementation”:
   1. document describing the organizational structure as well as the necessary processes and tools for implementing the National ICT Strategy.
8. Collaboration and knowledge management system for the development and implementation of the National ICT Strategy for Kosovo, including the necessary functionality as well as content.

## Firm qualifications

Bidders wishing to be considered for the services described herein should have the following qualifications:

* 1. Economic and financial standing: total annual turnover must be at least 100K Euro
  2. Clients base including government(s), and/or international development or aid organizations, and/or associations and chambers of commerce
  3. Technical capacity: the bidder has worked on at least one major project in fields related to the contract in the past five years, and in particular in the area directly linked with the Scope of Work. The bidder should also field 4 relevant staff as outlined below.

## Profile of requested staff

The following is the profile of requested staff that the bidder will include in his offer regarding the team composition and structure with recent CVs. The requested team should have diversified skills including amongst others a Team Leader/Telecommunication Expert, an ICT expert, and a Legal Expert.

The following profiles are requested:

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|  | **Project Manager:** |
| Tasks | Suggested tasks will include: main contact point, project management and steering of the process, co-moderation of workshops; research and analysis |
| Experience: | >10 years as a consultant (strategy consulting, IT-projects, IT-sector and cluster development including in Kosovo, M&E systems and evaluation); design & facilitation of workshops and steering of multi-stakeholder processes. Experience of leading other projects of a similar nature. Perspective experience and cross-cultural skills that will allow him/her to respond to Kosovo needs as expressed in this TOR. Desirable experience in South Eastern Europe / Western Balkan countries and/or developing countries |
| Education: | University degree in Information Technologies, Business Administration, International Business Administration, Marketing, Development Studies or other |

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|  | **Strategy Expert 1:** |
| Tasks | Suggested tasks will include: co-moderation of workshops, methodological design |
| Experience: | >15 years of experience as a consultant (strategy consulting, IT projects, IT-sector development, cluster development, M&E systems and evaluation); innovation management; workshop design and & facilitation of workshops and steering of multi-stakeholder processes.  Desirable experience in SEE / Western Balkan countries and/or developing countries |
| Education: | University degree in Information Technologies, Business Administration, International Business Administration, Marketing, Development Studies and/or similar |

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|  | **Strategy Expert 3:** |
| Tasks | Co-moderation of workshops, market/trend research & analysis |
| Experience: | >5 years of experience as a consultant (economic development, development, education, finance, tax systems, workshop design and & facilitation of workshops and steering of multi-stakeholder processes).  Desirable experience in SEE / Western Balkan countries and/or developing countries |
| Education: | University degree in Information Technologies, Business Administration, International Business Administration, Marketing, Development Studies and/or similar |

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|  | **Facilitator/Moderator**: |
| Tasks | Backstopping on strategy development methodology, comoderation where required |
| Experience: | >10 years in strategy consulting and organizational consulting, design and facilitation of strategy processes; facilitation of high-level workshops; evaluation of sectoral development programmes. Perspective experience and cross-cultural skills that will allow him/her to respond to Kosovo needs as expressed in this TOR. Previous, high-level experience advising policy makers/regulators in legal and regulatory issues  Desirable experience in SEE / Western Balkan countries and/or developing countries |
| Education: | University degree in Information Technologies, Business Administration, International Business Administration, Marketing, Development Studies and/or or similar. |

## Minimum Professional Experience

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| **Minimum Professional Experience** | **Pertaining to all experts:**   * It is advantagous for the bidder/proposed staff to have implemented similar projects in developing countries, i.e., Western Balkans. * Sufficient knowledge for the representation of the ICT sector. * Demonstrated project management experience. * Demonstrated networking skills and stakeholder engagement and management experience. * Strong conceptual and communications skills in verbal presentations and writing in English. * Strong communicator with interpersonal skills and exceptional ability to motivate teams. * Experience in monitoring and evaluation is essential. * Previous experience in similar engagements is desired. * Strong relationship-building skills. * Demonstrated ability to communicate, negotiate and partner with different partners, from public and private sector, and other possible stakeholders. |

## Period of Performance

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| **Expected Period of Performance** | May 1 2022 – January 31 2023 |

The bidder shall include in his proposal, the time schedule expected to complete and submit the deliverables specified in the above section. The contract is expected to begin in early May and end by January 2023. The timeline is subject to change based on relevant circumstances.

The assessment reports shall be prepared in English language with additional summary in Albanian language, latest on 15.12.2022.

## Supervisor

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| **Supervisor(s)** | ICT Sector Lead and SBE Expert. |
| **Supervisory role** | None. |
| **Reporting** | The selected service provider will prepare and deliver to USAID Compete on a weekly basis a weekly report on the main activities performed and milestones achieved. |