Request for Proposal:

Capacity development of Investment promotion agencies in Morocco and Ethiopia: baseline diagnostic

Deadline for submissions: 3 December 2020, 12h00 CET

The ILO is seeking to contract a consultant to contribute to a baseline diagnostic of the institutional environment for FDI in Morocco, with a particular focus on the FDI-employment nexus.

Context and approach

This work is conducted in the context an ILO/BMZ collaboration on training and job creation in Africa. The "ProAgro" project in Morocco will develop the capacity of national, regional, and local stakeholders to develop and implement policies aimed at boosting the job creation potential, with a particular focus on agribusiness, over a period of 42 months. The programme is led by a project management team in Morocco, with support from the Country offices in Algiers, Decent Work Country Team in Cairo, as well as the Employment Policy and Enterprises departments in ILO's headquarters.

One segment of the project aims at better integrating jobs promotion within Morocco investment promotion ecosystem. A close partnership is foreseen with the Investment Promotion Agency, including with their regional offices in the project's target areas (that remain to be defined). Initial dialogue with the concerned authorities during the project design phase of the project, in the context of ILO's longer-term engagement in Morocco, has allowed to define the following objectives and approach.

1. **The project will build capacities of investment promotion institutions and agents to:**
    - strengthen the way **projected employment weighs in on decisions related to possible investment projects**. The indicators and the estimation methods to define the expected employment impact of investment projects will need to be considered. Those methods will need to include both numbers of jobs created and quality markers (occupational/skills levels, wage levels, medical/pension coverage). Negotiations will also need to promote the progressive domestication of the workforce, through local human resourcing and skilling plans, in particular at the medium and higher skill levels, as well as local sourcing plans;
    - and reinforce **monitoring and evaluation systems** to measure the actual direct job creation impact. This will include overseeing whether investor's employment and skilling commitments have been met, and more broadly estimating employment effects ex-post.
    - With respect to **FDI promotion**, the project will also consider how (more) job-intensive operations can be (better) promoted.
    - **The national and local employment and training service ecosystems** are obviously an important factor in the job-intensity of investment projects. FDI projects will become more labour intensive when Investors are better able to count on local service providers to deliver training programs and fulfill placement services. Local and national platforms connecting employment and training skills providers with investment promotion actors,

and more broadly platforms of dialogue between investors, authorities and service providers around education and skills, and employment services.

2. **Lessons and recommendations from this work can then inform revisions to the legal and regulatory environments, or to the institutional set-up of the IPAs**. This would cover the four layers defined above – negotiation (including investor commitments), M&E (including cases of non-compliance), promotion, and service and dialogue platforms.

This project focuses on specific regions and one specific sector, the agri-business sector. It is important to operate on the basis of a good understanding of the overall investment environment; secondly, improving employment in FDI in the agri-business most likely calls for improvements in the way APIs work, not just in this sector. The project's specific focus on agribusiness and on the targeted regions needs to be intended in such a light.

Consultancy deliverables

The national consultancy will work with international experts in producing a **baseline study for Morocco.** The study is foreseen as an internal working document, to define the status of affairs on investment promotion policies and practices, particularly with respect to employment promotion. The study will be the basis for the definition of a capacity development plan in the next stages of the project.

The study will cover:

1. A brief historical overview of FDI trends for the country, by sector, alongside a chronogram of investment promotion measures taken over the years.
2. An overview of the "investment promotion policy" at country level:
   - What is the mandate of the investment promotion agency? How is it placed in the broader Government political economy?
   - What "incentives" are made available to the foreign investor, particularly tax incentives and grants are available, against which criteria and conditions; are there provisions under which pay-back would be applied (claw-back clauses)?
   - What is the decision making process and the vertical distribution of responsibilities when it comes to project design and the determination of incentives?
3. A focused look at employment promotion within the investment promotion policy:
   - How is employment defined? Are there quantified targets to be achieved?
   - How are the employment objectives or targets of the IPA reflected in its internal performance management system?
   - How is the "potential employment impact" of possible investment projects estimated? Does this include measures of direct, indirect and induced employment?
   - How is potential employment impact integrated in the practice of negating new investment projects, including at project design stage? Is it taken into account in the way incentives are calibrated? How does this feature in technical guidelines available to orient investment officials?
   - How are investors defining their foreseen direct employment creation, but also domestication of labour?
   - How is actual employment creation monitored? Are there "employment impact evaluation" methods in place, to estimate the effect on employment

of FDI projects once they're in place? And how does it feature in its institutional reporting (e.g. to the parent ministry, the broader public)?
  - How employment features in FDI promotion (promotion of job-intensive sectors, of local human resources)?
4. Specificities pertaining to FDI negotiation, M&E and promotion in the agri-business sector.
5. Benchmarking of international practices and guidance around maximising the employment impact of FDI in FDI negotiations; M&E; and FDI promotion measures. This will include a review of the literature, discussions with key ILO but also WB, UNCTAD, UNIDO experts, and ideally documentary collection and interviews with selected IPAs.
6. Broad recommendations with respect to enhancing capacities and instruments in both organisations.

Methods

Work will be directed by an international consultant and ILO technical experts. With travel not possible given the COVID19 epidemic, the role of the national consultant will be key in conducting desk research, documentary and data collection in loco, and in securing and facilitating a broad range of key informant interviews with IPA officials at central and local levels. Investors (prospective and established) will also be accessed, individually and through international investors associations.

Deliverables, timeline and payment

Short inception report following initial consultations with IPAs and ILO (prepared with the international consultant)	Early January 2020
Submission of draft report in line with contents described above (prepared with the international consultant) Facilitate **a workshop** around the draft report's recommendations, and capture these in the final report	January 2020
Final report (prepared with the international consultant)	February 2020

The above work is estimated to amount to an equivalent of **<u>25 full working days</u>**.

Payment will be made in full at satisfaction with the final report; if requested, a payment tranche may be made following submission of the inception report (20% of total amount due).

Qualification required

- 5 years of experience in FDI-related analytical work;
- A sound knowledge of the Moroccan private investment policy framework and incentives;
- Knowledge of the institutional setup, including familiarity with the Regional Investment Centers' role and functioning;
- Fluent in French, Arabic and a working knowledge (oral and written) of English.

Applications

Interested candidates must send, **by December 3, 2020, 12h00 (noon) CET**, the following:

- CV showing clearly the relevant experience for this assignment;
- Brief technical proposal including a timeline, and therefore confirming their availability for this period;
- Financial proposal specifying the proposed number of days and the daily rate.

The technical and financial proposals have to be sent in two separate documents (in a single email though), and both must be dated and signed.

Applications must be sent at the following email address: cols@ilo.org