



CALL FOR PROPOSALS

From business support organizations and service providers

Productivity Growth and Decent Jobs for Enterprises

in Wood Processing and Machinery Sectors of Viet Nam

I. Background & Rationale

The Productivity Ecosystems for Decent Work Project (PE4DW), launched by the ILO Vietnam aims at addressing constraints to productivity growth and decent job creation. The Project started in April 2022 with the initial 6 months of inception phase, and will run until the end of 2025.

The Project will address productivity and decent work deficits across policy, sector and enterprise levels for win-win solutions that improve productivity and that ensure, through social dialogue and workplace cooperation, that gains from productivity growth and decent work are distributed equitably. For this purpose, the Project will select a “slice” of the local productivity ecosystem, i.e., a sector and associated segment of the overall ecosystem in which the potential for productivity growth and decent job creation are aligned with feasibility to intervene.

Machinery and equipment sector and wood processing sector are the selected two priority sectors for interventions aiming to impact positively on productivity and decent work .

The project invites business support organizations and business service providers to submit technical assistance proposals to improve local enterprises’ productivity and decent work following the below technical areas:

1. Wood Processing sector

- a. Facilitate the development of market-based manager capacity building programs to respond to the need for more higher skilled middle management capacity, in particular for women. Improved management capacity has a large positive impact on smaller businesses¹. Key gaps in management capacity² include: (i) low level of problem-solving, creativity, business efficiency

¹ <https://library.oapen.org/bitstream/handle/20.500.12657/40154/9780198851189.pdf?sequence=1&isAllowed=y>

² <https://openicareport.iica.go.jp/pdf/12334355.pdf>



skills among the middle managers, (ii) upskilling offer is limited for workers at SMEs and owners unwilling to invest into training workers due to fear of losing skilled people, (iii) low quality and low supply of trained wood specialists by education system. Project will build activities to respond to these issues in close partnership with relevant stakeholders with aim to implement sustainable and market-based solutions. Here special attention will be devoted to leadership development for women workers, who constitute 30-40% of the workforce in the industry but less in supervisory and management roles.

- b. Promote digitalization and better market linkages for effective SME data management and resource planning solutions. The importance of digitalization has been addressed by all key stakeholders during the sector systematic assessment. The assessment also pointed out that data management is the basic function that most enterprises need to improve. There are several service providers in the market in this area, however both enterprises and service providers still face difficulties finding a good match (that is due to cost of service, quality of service, and other limitations). PE4DW will facilitate a pilot run of digitalization initiative for target enterprises and promote sharing of experiences and good practices. The Project will also support BSOs to improve analysis of ongoing trends in the sector, regularly review the needs to enterprises, strengthen market linkages, and other interventions with ultimate intention of improving the mutual understanding and promote effective solutions for SMEs.
- c. Promote circularity and decarbonization. Since wood is renewable, recyclable, climate-friendly and versatile, it is increasingly being used to replace non-renewable materials. It has critical significance for the efforts to address the global threats to climate, biodiversity and environment caused by the excessive use of non-renewable materials³. Promotion of usage of legal wood in the sector, including among the informal and quasi-informal businesses can significantly contribute to environmental sustainability. Other interventions can include promotion of product design for higher resource/ material utilization, sharing of good practices among enterprises and pilot new environment-friendly and circular business models.
- d. Promote Decent Work in the sector. PE4DW will support activities that incorporate the improvement of working conditions for workers and strengthen social dialogue as key driver for

³ [The global forest sector outlook 2050: Assessing future demand and sources of timber for a sustainable economy](#).FAO



productivity. Short-term efforts in the sector can focus on reducing the negative effect of the ongoing economic slowdown on workers' livelihoods.

2. Machinery & Equipment sector:

- a. Facilitate the development and implementation of market-based productivity skills improvement programs. With several programs existing in relevant organizations, PE4DW will seek for opportunities to improve the effectiveness of these programs through support activities such as capacity building for trainer networks or demonstrating effective training models. The trainer pool developed under the SCORE program will serve as an important asset for further development. The Project can consider piloting the focus support to a group of committed enterprises that can deliver good results and willing to share the experience to business communities.
- b. Promote digitalization and better market linkage and effective SME data management and resource planning solutions. The importance of digitalization has been addressed by all key stakeholders during the sector systematic assessment. The assessment also pointed out that data management is the basic function that most enterprises need to improve. There are several service providers in the market in this area, however both enterprises and service providers still face difficulties finding a good match (that is due to cost of service, quality of service, and other limitations). The interventions in this area include piloting of digitalization initiatives, promoting experience sharing and good practices, supporting BSOs to improve market linkages between target enterprises and service providers.
- c. Facilitate upgrade of production technology. PE4DW will learn from the successful initiatives supporting enterprises in the sector, continue to pilot the application of new technologies and promote good practices. The Project can also support BSOs that have the mandate to facilitate the linkages between SMEs and new markets (buyers, regional markets, export). Key focus area can be facilitating the upgrade of production technology to meet with the requirements of buyers in reducing carbon emissions.

II. Objective/purposes

To improve productivity and decent work of local enterprises in the wood processing sector and machinery & equipment sector.



III. Scope of works and specific tasks

The contractor is expected to cover the below scope of works

1. Identify and recruit potential enterprises who can participate in the support activity.
2. Verify the eligibility of selected enterprises.
3. Conduct baseline assessment to identify the potential for productivity improvement.
4. Propose the intervention and productivity improvement target for the selected enterprises.
5. Implement the agreed intervention to improve productivity at the target enterprises.
6. Monitor the relevant KPIs.
7. Collect and mobilize the contribution (financial, time, human) from enterprises.
8. Contractors are welcome to submit proposals that cover one or more technical areas listed for one or both target sectors (please refer to I. Background and Rationale).

IV. Methodology and other requirements

1. Eligibility criteria for enterprises to be selected:

- 1.1. Local enterprises in the 2 target sectors of the project.
- 1.2. Have less than 500 employees registered for social insurance.
- 1.3. Average annual revenue 2020 -2022 is under 300 Billion VND. Exception can be considered for larger enterprises if they are willing to cover a large percentage of the cost of the activity (70% and more) or commit to share the good practice and results of the implementation to wider business community.
- 1.4. Fully operational for at least 2 years continuously
- 1.5. Not being concluded by any government authority on non-compliance with local law.
- 1.6. Demonstrate commitment from the business owner to participate in the support activity by ILO PE4DW and project partners by attaching a letter of commitment. The discussion between business owner with the service provider, ILO PE4DW and project partners to agree on the participation to the support activity is the most important criteria for enterprises selection.
- 1.7. Demonstrate commitment from the business owner to implement improvement activities that benefit both workers and the enterprise and willing to share the good practices and result of the implementation to wider business community.



- 1.8. Leverage contribution by each enterprise of at least 30% of total cost of support (through payment for the service provider)
- 1.9. If one enterprise is approached by different contractors for similar intervention, the ILO will give priority to contractor who secure the recruitment of enterprises earlier and confirm through email with the ILO. It is recommended that one enterprise will not be recruited by different contractors for similar interventions.

2. Minimum requirement for the description of intervention: the contractor should be able to proposed the intervention with the minimum detail below:

- 2.1. Description of target enterprises
- 2.2. Description of all assessments for the intervention including baseline, progress and endline.
- 2.3. Description of expected outcome of all proposed activities in the intervention.
- 2.4. Description of content outline and organization of activities of the intervention.
- 2.5. Description of quality assurance measures to all proposed activities.
- 2.6. Description of monitoring and evaluation and assurance of the reliability of collected data.
- 2.7. Description of how good practices from participating enterprises can be documented and promoted to the wider business community
- 2.8. Intervention shall be implemented in a combined approach of coaching and consulting. This combined approach is to ensure the enterprises achieve improvement result but at the same time build up the internal capacity of enterprises to continue the improvement work in long term.
- 2.9. Description of KPIs tracking, to be achieved as a result of support to enterprises and means of verification (below is the minimum KPI to be collected, M&E table to be submitted for each enterprise client). The contractors are encouraged to present the plan to monitor the enterprises’ productivity improvement KPI beyond 12 months.

| Indicators | Baseline | 3 months | 6 months | 9 months | 12 months |
|--|----------|----------|----------|----------|-----------|
| A. Labour productivity rate B/(C+D) | | | | | |
| B. Annual USD Revenue of enterprise | | | | | |
| C. Number of jobs retained at enterprise | | | | | |



| | | | | | |
|---|--|--|--|--|--|
| D. Number of new jobs created at enterprise | | | | | |
| E. Number of training/capacity building events | | | | | |
| F. Number of participants/employees outreached (male/female) | | | | | |
| G. Estimated financial gain from improvement introduced by the Contractor (USD) | | | | | |
| H. KPI(s) to track the improvement introduced by the Contractor | | | | | |

V. Financial arrangement

1. The proposal should cover all cost needed for the full program.
2. The proposal should present financial calculation with quantity, rate and amount of separated cost item. Combined cost items into package should only be made for costs of similar nature. Proposals with only information on rate will not be considered. See Annex 1 - Template for financial proposal
3. The financial plan for the proposal shall be on cost share basis, showing clearly the financial contribution from enterprises and means of verification
4. Total cost to be paid by the ILO per proposal shall be under 50,000 USD and can cover maximum 70% of the program cost.
5. Payment from the ILO will be made upon the completed implementation of the intervention and full report of good results achieved.

Sample budget (the excel version is enclosed to this CFP)

Name of activity and basic information.

| | | | | | | | | | |
|-----|-----------|------|--|--|--------|--|--|--|---------|
| | | | | | | | | | |
| STT | Cost item | Unit | | | Amount | | | | Remarks |



| | | | Quantity/ person | Day | Unit price | | Contributed by enterprises | Supported by ILO | |
|---|---|---|---------------------|-----|---------------|-----------------|----------------------------------|---------------------|--|
| a | b | c | d | e | f | $g = d * e * f$ | i | $h = g - i$ | |
| | | | | | | | | | Please do not combine different expenditure types (e.g. consultant and travel) into 1 package. |
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VI. Evaluation of the proposals

All proposals will be evaluated equally following the criteria below:

| | |
|--|-----|
| Contractor profile and relevant experience | 20% |
| Technical proposal. Additional priority points will be given to: <ul style="list-style-type: none"> - Selected enterprises are owned or managed by woman - Contribution from enterprises is higher than 50% - Enterprises employ more women - New and decent job creation potential - Creative, innovative interventions - Interventions that address systemic market transformation. | 30% |



| | |
|---|-----|
| - Clear plan on financial sustainability of the program with gradual increase of contribution from enterprises. | |
| Financial proposal (best value for money) | 20% |
| Profile of proposed experts | 30% |

VII. Templates for proposals

The proposal and financial proposal templates available in this Google Drive link <https://drive.google.com/drive/folders/14Y-uokcsHGdeXCLBef1J5I-hKzG5HINh?usp=sharing>

VIII. Contact

All proposals and supporting documents (proposal as per the template attached, contractor profile, expert CV, technical information described in IV, reference, budget) shall be sent to main@ilo.org at latest **5pm 18th Apr 2023**.

The ILO will accept questions for clarifications on the call to be sent to duchoang@ilo.org at latest 05 working days before the deadline. Answers to questions and clarification will be made available to all interested contractors.

The ILO can only contact shortlisted contractors for interview and further steps.

Several proposals can be selected.