

## QUESTIONS & ANSWERS

Date: March 23, 2021

### Reference Request for Proposal Number: RFP-CATALYZE-Ethiopia-2020-0102 for Tigray Private Sector Assessment

Dear Offerors,

Please see below answers to the questions submitted to [catalyze.procurements@thepalladiumgroup.com](mailto:catalyze.procurements@thepalladiumgroup.com).

No	Question	Answer
1	Can any clarification be provided on the definition of "private enterprise" in the context of this study? For example, while many MSMEs could be categorized as "private", several of the larger, more established companies in Tigray are manufacturing SOEs wholly owned or majority-owned by non-private entities such as EFFORT (Endowment Fund for the Rehabilitation of Tigray). We assume that these SOEs are in scope, but grateful if you could please confirm this?	<p>Private enterprises are privately-owned companies (including sole proprietary, Private Limited or share company owned and operated by non-government).</p> <p><b>Endowment companies</b> are categorized as private for the purpose of this assessment and should be included given that they are owned by an endowment fund (irresectable who owns the fund itself). These companies are important for the local economy and job creation therefore should be included.</p> <p>In this context, we define SOE's as State -Owned Enterprises, which at this time are not part of the assessment.</p>
2	We propose splitting "access to finance" analysis into three broad categories - (i) nationally-based Tier-1 financial institutions such as the CBE for whom Tigrayan businesses are only a part of a larger portfolio of borrowers/investees, most of which have not been conflict-affected; (ii) smaller Tigray-based financial institutions, MFIs and savings groups/cooperatives heavily impacted by the conflict; and (iii) non-bank sources of credit including supply chain finance (e.g. off-takers providing inputs to farmers on credit). Our view is that the impact of the conflict and the recovery outlook differs between these categories substantially. Are you happy with this broad categorization?	<p>We accept the categorization.</p> <p>For Tier 1 financial institutions, all private banks with presence in Tigray should be included (which are national based banks) in addition to Commercial Bank of Ethiopia (CBE) and Development Bank of Ethiopia (DBE).</p>
3	We would like to apply a "market systems" lens to assess the current/planned donor interventions designed to support private sector/economic recovery in Tigray, i.e., assessing whether short-term interventions do - or do not - hamper underlying business and market recovery, and complement longer-term livelihoods and market programs (e.g., in the context of foreign-sourced direct aid vs cash transfer/voucher systems designed to stimulate demand for local products). Is this acceptable?	<p>It is acceptable. Assessment of donor interventions on private sector (private enterprises, companies, businesses) development would be most appropriate to evaluate.</p> <p>There are several interventions that are currently focusing on humanitarian activities, which is not part of the purview of the assessment.</p>
4	We propose including a scenarios-based forward-looking outlook for the post-conflict recovery using a 1-, 3- and 5-year lens. Is this appropriate/useful?	Scenarios-based forward-looking outlook for post-conflict recovery is acceptable.
5	Can any clarification be provided on any preferred method of data collection for the assessment?	We leave it up to your expertise. Given the current COVID environment, phone data collection, virtual workshop, digital data collection (via email) seem safe. Utilizing regional based consultants will also be promising.