



## Terms of Reference

### Market Assessment for Early Childhood Development (ECD) Social Enterprise Models in Dar es Salaam, Tanzania

**Organisation:** BRAC Tanzania

**Location:** Dar es Salaam, Tanzania

**Duration of Assignment:** 6-8 weeks (1<sup>st</sup> April to 31<sup>st</sup> May)

#### **Project Overview:**

BRAC Tanzania (BRAC), in collaboration with BRAC International (BI) and BRAC UK, is leading the development of a new social enterprise model for the provision of early childhood development (ECD) in Dar es Salaam. The project aims to catalyse the ECD private sector in Tanzania by developing a “Hub & Spoke” business model for the provision of low-cost, high quality and scalable play-based ECD in Tanzania. The “Hubs” will be comprised of BRAC-operated fee-paying ECD centres based on BRAC’s existing PlayLab model. The “Spokes” will be private ECD centres and/or day-cares in Dar es Salaam, receiving technical and/or financial support from BRAC. BRAC’s ECD social enterprise has the potential to benefit from three income streams: 1) Fees charged to parents of children from low- and lower-middle income households to attend BRAC’s Hub ECD Centres, 2) Pay-for-service technical assistance (TA), delivered by BRAC to the Spokes (private ECD businesses), and 3) ECD-sector specific loan products provided through BRAC’s microfinance institute (MFI) in Tanzania. In the initial phases of the project, BRAC will focus on the first and second income streams, and explore whether the development of new loan products makes sense in future iterations of the model.

Project activities will be sequenced in three phases across 36 months. Initial funding has been secured for a 9-month research and development (R&D) phase, from January through September, 2019. If the R&D results in a viable business plan, BRAC will seek funding for a pilot phase starting in October, 2019. The objective of the R&D phase is to develop and test the viability of the Hub & Spoke business model. Key activities will include a detailed market assessment, prototyping select components of the model and testing them with key stakeholders, facilitating a business-modelling workshop, developing support packages/products for the Spokes, and ultimately developing a comprehensive business plan for the pilot phase.

BRAC Tanzania is seeking a consultant (“Consultant”) with relevant experience in social enterprise development and low-cost private schools to conduct the detailed market assessment. The consultancy, with a suggested timeframe of 6-8 weeks, will be arranged between 1<sup>st</sup> March and 1<sup>st</sup> April.

#### **Geographic Location**

The market assessment will be conducted in Dar es Salaam, Tanzania with a focus on districts and neighborhoods that have a high percentage of low- and lower-middle income families.

#### **Purpose of the Market Assessment**

The purpose of the market assessment is to support BRAC Tanzania with in-depth insight and market intelligence that assesses the ECD market in Dar es Salaam, tests components and assumptions of the business model(s) under consideration, and makes clear recommendations about how the project intervention can support a viable social business going forward.

#### **Research Methods**

Through a consultative and field based process, the selected Consultant will use well-established and recognized methodologies, including, but not limited to, Focus Group Discussions (FGD’s), Key Informant Interviews (KII’s), field surveys and desk-based research. In collaboration with the selected Consultant, BRAC Tanzania, BI and BRAC UK will help to select and sign-off on the research methods, the study design, and the study tools, prior to data collection.



### **Key Deliverables**

The Consultant will be responsible for the following key deliverables:

<b>Deliverable</b>	<b>Forecasted Completion Date</b>
Provide a detailed methodology of how the assessment will be carried out and design all the necessary tools required to collect the assessment data	April 8, 2019
Conduct desk-based research to identify best practices from previous studies and similar education models that are relevant for BRAC's ECD Hub & Spoke model	April 15, 2019
Integrate consultative and field based research methods, such as Focus Group Discussions (FGD's), Key Informant Interviews (KII's) and/or field surveys to collect data/information from key stakeholders and assess the competitive landscape	May 6, 2019
Evaluate the social alignment and economic feasibility of different business model options, based on insights from the market assessment and cost modelling	May 14, 2019
Submit preliminary findings and recommendations for BRAC review and validation	May 21, 2019
<p>Develop a final report acceptable to BRAC Tanzania, including the following:</p> <ul style="list-style-type: none"> <li>• Identify districts and specific neighborhoods in Dar es Salaam that BRAC should target for its Hub ECD centres and the provision of technical assistance to private ECD Spokes (these could be the same districts or different)</li> <li>• Identify economically feasible options for the Hub ECD centers, including the service offering, delivery model and fee structure</li> <li>• Identify economically feasible options for the delivery of TA packages to the Spokes (private ECD service/daycare providers), including the TA offering, delivery model and fee structure</li> <li>• Identify technology options that BRAC could/should consider to enhance efficiency and effectiveness of the Hub &amp; Spoke model</li> <li>• Identify a short list of operational models for the Hub &amp; Spoke model (focusing on the Hub ECD Centers and TA packages for the Spokes only) that are economically feasible and meet the project's social objectives</li> <li>• Recommend at least 1 business model option for BRAC to pilot in the next phase of the project</li> <li>• Identify whether the provision of financial assistance to parents and/or Spokes is an area of assistance that BRAC should consider in the future</li> </ul>	May 31, 2019

### **Scope of Work**

In support of the deliverables described above, the Consultant will perform the following tasks:

- Desk-Based Assessment of Best Practices:



- Conduct a desk review of relevant documents/studies that were done previously as well as relevant ECD/TA models from around the world, to understand their successes and challenges, identify best practices, and help inform the rest of the market assessment questions.
- Location Mapping:
  - Map locations in Dar es Salaam based on location criteria for BRAC's Hub ECD centres, with the goal of selecting two districts for more in-depth field surveys. Location criteria, jointly selected with BRAC Tanzania, could include (but is not limited to) areas with majority low- and lower-middle income families, low competition from existing ECD providers, and high demand for quality, comprehensive play-based ECD services.
  - Map public/private ECD service providers in Dar es Salaam based on location criteria for BRAC's Spoke TA support program, with the goal of selecting 2 districts for more in-depth field surveys. Location criteria, jointly selected with BRAC Tanzania, could include (but is not limited to) areas with a strong mix of income levels, high competition from existing ECD providers, and high demand for quality, comprehensive play-based ECD services.
- Market Assessment:
  - Conduct a detailed market assessment with key stakeholders using consultative and field based research methods, such as Focus Group Discussions (FGD's), Key Informant Interviews (KII's) and/or field surveys, to assess best practices and lessons learned among peer ECD centers in Dar es Salaam, answer research questions, test model assumptions and evaluate the feasibility of different operational models (more detail is provided below).
- Technology/Digital Tools Assessment:
  - Evaluate technology options, including digital tools, to improve the efficiency and effectiveness of BRAC's Hub and Spoke operations
- Cost Modelling:
  - In collaboration with BRAC Tanzania, model costs and revenues for the shortlisted delivery and operational models (i.e. the models that have the greatest potential based on demand, willingness to pay, operational feasibility, etc.).

### **Considerations for the Market Research:**

#### **1. Target Beneficiaries of the Hub & Spoke Model:**

As part of the market research, the Consultant will consider the project's target beneficiaries and focus on options and recommendations that best meet their needs and demands:

- Hub Target Beneficiaries:
  - Low-income and lower-middle income families with children under age 5 in Dar es Salaam
  - The Hub ECD centers must be affordable for the 2nd income decile in Dar es Salaam and above, based on a 2019 projection from Tanzania's most recent [Household Budget Survey](#)
- Spoke Target Beneficiaries:
  - Any private ECD centers located in Dar es Salaam, but primarily those serving low- to middle-income families
  - Technical assistance should be affordable to a majority of private ECD centers in Dar es Salaam

#### **2. Key Research Questions:**

The Consultant will consider the following research questions when designing the location mapping, market assessment, and technology/digital tools assessment:

- Hubs
  - What are the services offered by peer ECD centers in Dar es Salaam? (i.e. what curriculum do they follow, what are the school hours, how many students do they have per class, how much do they charge, etc.) What are common challenges faced

by ECD service providers in Dar es Salaam? How have ECD service providers overcome these challenges? Are there common themes or other best practices among the highest performing ECD centers in Dar es Salaam, and what can BRAC learn from these for the Hub & Spoke model?

- What do low- and lower-middle income parents want most in terms of ECD services? (i.e. what age groups, length of program (half day or full day) and services will generate the most demand?)
- What is an affordable cost for these ECD services, specifically for low- and lower-middle income parents? (i.e. ability to pay)
- How much demand is there for these ECD services among low- and lower-middle income parents? (i.e. willingness to pay)
- What is the monthly cost (salary and benefits) for a high quality, ECD-certified teacher and/or teaching assistant?
- What are the best districts for BRAC to open its Hub ECD centers, and what is the monthly cost to rent the appropriate space in these districts?
- What are low-cost and effective ways that BRAC can track and evaluate performance, both at the school level and central level?
- What is the best way to collect payments from parents (i.e. mobile payment, payment via bank, or cash in person), how often should this be done to maximize on time payment, and what is the associated implementation cost?
- Is it possible for BRAC to offer its high quality play-based learning curriculum at an affordable cost to low- and lower-middle income beneficiaries, while also achieving financial sustainability - either independently or through a cross-subsidy model? (i.e. willingness/ability to pay vs. operational costs of the different models)
- Is there demand for financial assistance to cover school fees among low- and lower-middle income parents?
- Are low- and lower-middle income parents receiving financial assistance to cover school fees already, and if so, what kinds of assistance are they receiving?
- Does it make sense for BRAC to consider financial products for parents in the future?
- Spokes
  - Are there existing providers of education-focused TA in Dar es Salaam? What do their services look like (i.e. what kinds of TA do they provide, how do they provide it, how much do they charge, etc.) What are the common challenges faced by these TA providers in Dar es Salaam? How have TA providers overcome these challenges? Are there common themes or other best practices among the highest performing TA providers, and what can BRAC learn from these for the Hub & Spoke model?
  - What kinds of TA do private ECD service providers need and want most? (i.e. is tailored or standardized support in higher demand and what training topics, services or products are valued most?)
  - What is an affordable cost for this TA in order to make it accessible to a large percentage of private ECD providers? (i.e. ability to pay)
  - How much demand is there among private ECD providers for this kind of TA? (i.e. willingness to pay)
  - Does BRAC Tanzania already have the capacity to provide the TA in demand by Spokes? If not, can it build this capacity in a timely manner (i.e. what would this require)?
  - What is needed to provide the TA modules (i.e. how many trainers, how much space, how frequently, etc.) and what is the associated cost?
  - What are low-cost and effective ways that BRAC can track and evaluate performance?
  - What is the best way to collect payment from the Spokes (i.e. mobile payment, payment via bank, or cash in person), and what is the associated implementation cost?
  - Is it possible for BRAC to offer high quality TA at an affordable cost to a large number of private ECD providers, while also achieving financial sustainability - either



independently or through a cross-subsidy model? (i.e. willingness/ability to pay vs. operational costs of the different models)

- Is there demand for financial assistance among private ECD providers, and if so, what kind of financial assistance do they need and/or want (i.e. what size loans and for what)?
- Are private ECD providers receiving financial assistance already, and if so, what kind of assistance are they receiving?
- Does it make sense for BRAC to consider financial products for Spokes in the future?

### 3. Model Options to be Tested:

The Consultant will design the market research to test different business model options, as agreed upon with BRAC. The following model options are currently under consideration by BRAC, but are not necessarily comprehensive and could change:

- Hub ECD Service and Delivery Options (based on BRAC's existing PlayLab curriculum)
  - Single-shift half-day program (ages 3-5 only)
    - 1 Play Leader, 30 students
    - 1 room, 1 toilet, outdoor play space
    - Single shift from about 8:00-11:30 AM (ages 3-5)
  - Double-shift half-day program (ages 1-3 and 3-5)
    - 1 Play Leader per shift, 30 students per shift
    - 1 room, 1 toilet, outdoor play space
    - First shift from about 8:00-11:30 AM (ages 1-3)
    - Second shift from about 12:30-4:00 PM (ages 3-5)
  - Single-shift full-day program (ages 3-5 only)
    - 1 Play Leader, 1 Teaching Assistant, 40 students
    - 1 room, 1 kitchen, 1 toilet, outdoor play space
    - Addition of lunch and nap time
    - Single shift from about 8:00 AM-4:00 PM (ages 3-5)
- Spoke TA Service and Delivery Options
  - Four separate training modules
    - Teacher Training
    - Play Material Development Workshop
    - Play Curriculum Development
    - Business/Enterprise Management Training
  - Two separate training modules (i.e. combining three components into one training module)
    - Teacher Training + Play Material Development Workshop + Play Curriculum Development
    - Business/Enterprise Management Training
  - Training modules offered individually (i.e. one Spoke per session)
    - Option of tailored support or standardized support
  - Training modules offered in a group format (i.e. multiple Spokes per session)
    - Standardized support only
- Hub & Spoke Operational Model Options
  - Hub ECD centers and Spokes are linked - options under consideration include:
    - Cross-training:
      - The Hub ECD centers provide training and/or observation grounds for Spokes receiving TA
    - Shared resourcing:
      - One ECD trainer sits within each Hub of BRAC-operated ECD centers and provides support to the Hub and surrounding Spokes
    - Linked cross-subsidy:



- Revenue from the Spokes helps to subsidize the Hub ECD centers, allowing the Hub ECD centers to charge lower fees and target low-income families while achieving financial sustainability
- The Hub ECD centers and Spokes form part of the same ECD “ecosystem” but are operated as separate, self-sustaining businesses - options under consideration include:
  - Independent Operations:
    - The Hub ECD centers and Spokes each operate separately with no overlap, and are financially independent
  - Internal cross-subsidy:
    - Hub ECD Centers targeting middle-income beneficiaries and charging higher fees subsidize Hub ECD centers targeting low-income families and charging lower fees and/or subsidize lower fees or scholarships for low-income students in the same ECD center
    - TA training modules targeting higher income ECD Centers or other potential clients (such as NGO’s or the government) and charging higher fees subsidize TA training modules targeting lower income ECD Centers and/or subsidize discounted fees for lower income ECD Centers at the same training session
- A third model alternative is a combination of some of the components noted above - options under consideration include:
  - Independent operations + Cross-Training + Shared Resourcing
    - The Hub ECD centers and Spokes are financially independent, the Hub ECD centers provide cross-training opportunities and the same ECD trainer serves both the Hub and surrounding Spokes
  - Internal Cross-Subsidy + Cross-Training + Shared Resourcing
    - The Hub ECD centers are cross-subsidized internally, the Hub ECD centers provide cross-training opportunities and the same ECD trainer serves both the Hub and surrounding Spokes
  - Linked Cross-Subsidy + Cross-Training + Shared Resourcing
    - Revenue from the Spokes cross-subsidizes the Hub ECD centers, the Hub ECD centers provide cross-training opportunities and the same ECD trainer serves both the Hub and surrounding Spokes

#### **4. Model Assumptions to be Tested:**

The Consultant will design the market research to test assumptions of the selected business models. These are subject to change based on the business model options that are jointly selected by the Consultant and BRAC, but currently include the following:

- Hubs
  - BRAC can offer quality ECD at an affordable cost to low- and lower-middle income parents
  - BRAC can offer a salary and benefits that are enough to attract ECD certified teachers and retain them
  - 1 PlayLeader can cover up to 30 students in either of the half-day programs
  - 1 PlayLeader + 1 Teaching Assistant can cover up to 40 students in the full-day program
  - There is enough demand and a willingness/ability to pay for ECD among low- and lower-middle income communities that BRAC will be able to attract 30-40 students (depending on the delivery model) to the Hub ECD Centers and collect at least 85% of fees from parents on a monthly basis
  - The model has the ability to be profitable within 4 years - either independently or using a cross-subsidy model - making it both sustainable and scalable
- Spokes
  - The four TA modules that BRAC is considering respond to the needs of Spokes in Dar es Salaam



- One trainer can cover up to 20 individual participants in one training session
- BRAC has the internal capacity already (or, at a minimum, the ability to build the capacity in a timely manner) to provide the identified TA modules
- BRAC can offer the TA modules at an affordable cost to the targeted Spokes
- There is enough demand and a willingness/ability to pay for TA among the targeted Spokes that BRAC will be able to hold at least 3 training sessions per year and attract the minimum number of Spokes required to make it economical
- The model has the ability to be profitable within 4 years - either independently or using a cross-subsidy model - making it both sustainable and scalable

## **5. FGD's, KII's and/or Field Surveys with Key Stakeholders:**

As part of the market research, the Consultant will conduct the following FGDs and KIIs to test the research questions, model assumptions and feasibility of the different operational models:

- FGDs with:
  - Low- and lower-middle income parents of existing BRAC PlayLabs
  - Low- and lower-middle income parents with children under the age of 5 in high-potential districts of Dar es Salaam
  - BRAC Play Leaders at existing PlayLabs
  - BRAC PlayLab Field Staff
- KIIs with:
  - Local government officials
  - ECD Certified Teachers, students in the process of receiving their ECD certification, and/or teaching staff at ECD training institutes
  - Private ECD service providers
  - Education-focused TA providers
  - BRAC ECD Trainer
  - Other BRAC staff (as needed)

The Consultant will also conduct field surveys, in addition or instead of the FGDs and KIIs, as needed. The research methodologies will be agreed upon with BRAC Tanzania, BI and BRAC UK in advance.

### **Timeline**

The assessment is expected to start in April, 2019 and be completed by 31<sup>st</sup> May, 2019. This period will cover preparation (including review of background documents), field work, meetings with BRAC staff and other key stakeholders, and submission of the final report.

### **Qualifications**

We are looking for a suitably-qualified and experienced Consultant, with a profile that includes:

- A market specialist with extensive experience in market assessments in emerging market contexts, preferably in Tanzania
- Ability to design and plan the research methodologies, including quantitative and qualitative research methods surveys, in-depth interviews, focus group discussions and other research, and the experience to carry out field work in Tanzania
- Relevant subject matter knowledge and experience in social enterprise development, business modelling, and preferably, low-cost private schools
- Appropriate country knowledge/experience, including language proficiency to conduct the analysis required, or the ability to provide the resources needed to facilitate this work

### **Budget, logistics and management**

BRAC Tanzania is responsible for recruitment and briefing of the Consultant and all logistical and technical support to facilitate required meetings and interviews in Tanzania. BRAC Tanzania is committing USD 25,000 - 35,000 towards this market assessment, which is inclusive of all costs, encompassing expenditures related to both logistics and research. We are looking for responses that



demonstrate the strongest possible value for money to meet the objectives of the market assessment. The first 30% of remuneration associated with upfront costs such as travel, accommodation and field costs, will be paid in a first instalment. We reserve the right to hold the final 70% of the payment until completion of a satisfactory report of sufficient quality.

### **Request for Proposal and Next Steps**

Interested Consultants are requested to submit their proposal at the latest by 25<sup>th</sup> March, 2019 via email to [Alexandra@bracusa.org](mailto:Alexandra@bracusa.org). The proposal should be no more than 8 PAGES and consist of the following:

- Remarks to this ToR and the proposed methodology, as far as the Consultant proposes to take a different approach;
- An outline of the approach, methodology and work plan the Consultant intends to follow in responding to the ToR;
- Summary profiles and CV's of proposed staff;
- Planning and budget, according to the methodology described in this ToR, including staff deployment per activity; and
- The organisation's annual accounts for the past two years.

Following initial responses from the Consultant(s) BRAC's Evaluation Panel will shortlist three consultants between March 25<sup>th</sup> - 30<sup>th</sup>, 2019.

Shortlisted Consultants will be asked to present to BRAC's Evaluation Panel (one hour presentation via zoom conference facility) on April 2<sup>nd</sup>, 2019, after which the Evaluation Panel will select the Consultant.

### **General Considerations**

In preparing the proposal, the Consultant is expected to examine the ToR in detail. Material deficiencies in providing the information requested in the ToR may result in rejection of the Consultant's proposal.

### **Cost of Preparation of Proposal**

The Consultant shall bear all costs associated with the preparation and submission of its proposal, and BRAC shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process. BRAC is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to contract award, without thereby incurring any liability to the Consultant.

### **Language**

The proposal, as well as all correspondence and documents relating to the proposal exchanged between the Consultant and BRAC, shall be written in English.

### **Confidentiality and Project Delivery**

All materials produced or acquired under this project, which are not already in the public domain shall be held by the Consultant, in strict confidence and shall not be disclosed to any party whatsoever without the express written consent of BRAC.