

# Terms of reference (ToR) for the procurement of services below the EU threshold

CONFIDENTIAL

<b>Situation Analysis of Digitalization in TVET in Ethiopia</b>	<b>Project number/ cost centre:</b> G-012423-003
	<b>Tender number</b> <b>10023625</b>

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## **0. List of abbreviations**

AG	Commissioning party
AN	Contractor
AVB	General Terms and Conditions of Contract for supplying services and work
CoE	Centre of Excellence
DESTA	Digital Ethiopia – Skills and TVET Action
ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
FK	Expert
FKT	Expert days
HETMIS	Higher Education and Training Management Information System
KZFK	Short-term expert
LMS	Learning Management System
MOPEDE	Capacity Building for Modernising TVET Pedagogy in Ethiopia
SO 2	Specific Objective 2
SO 3	Specific Objective 3
ToRs	Terms of reference
TVT	Technical Vocational Training
STEP IV	Sustainable Training and Education Programme IV

## 1. Context

The Multi-Donor project “Digital Ethiopia: Skills and TVET Action” (DESTA) is co-funded by the German Federal Ministry for Economic Cooperation and Development, the European Union and the Finnish Ministry of Foreign Affairs to support Ethiopia’s Ministry of Labour and Skills (MoLS) in advancing its national skills development and digital transformation agenda. DESTA is part of the follow-up project “Sustainable Training and Education Program“(STEP IV) which is supporting TVET reforms in Ethiopia since 2019. STEP IV aims to improve the income and employment situation for the Ethiopian population, particularly for young people, through demand-driven training and qualification programs.

The convergence of Ethiopia’s TVET reform and digital transformation agenda represents a strategic opportunity to build a modern, inclusive, and future-ready skills development system. The Digitalisation Strategy for TVET acts as a key enabler of both the Revised National TVET Strategy (draft, 2025) and broader national goals outlined in the “Digital Strategy 2030” and the “10-Year Development Plan”. By supporting the Ministry’s vision to establish Centres of Excellence across Ethiopia’s skills system, DESTA builds on the results and lessons learned of EU Member State-supported initiatives such as the ESHI Basket Fund, Germany’s STEP project, and Finland’s project “Capacity Building for Modernising TVET Pedagogy in Ethiopia” (MOPEDE), ensuring alignment, sustainability, and impact at scale.

The Overall Objective is to contribute to the EU’s goal of supporting the digital transformation of Ethiopia by strengthening the quality and relevance of the TVET system to meet the skills needs of the digital economy and to facilitate (digital) entrepreneurship.

### Situation in the Intervention Area

Ethiopia is the second most populous country in Africa with around 126.5 million people (2023), of which 70 % are less than 30 years old. The country remains the fastest growing economy in the region with an economic growth of 6.5 % in 2023 <sup>1</sup>, despite a slight decline compared to previous years.

However, Ethiopia has been struggling with multiple wars and conflicts for years and the security situation remains tense. The economy is also suffering from shocks such as COVID-19, droughts and the Ukraine crisis, which has led to an average inflation rate above 30% in 2023 and high unemployment, especially among graduates of universities and technical and vocational training colleges in urban areas (2022: 26.5 %), resulting in 41% of degree holders both from university and TVET colleges who were not employed within the first year

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<sup>1</sup> Ethiopia Overview: Development news, research, data | World Bank – Link: <https://www.worldbank.org/en/country/ethiopia/overview> (visited 15.11.2024)

after graduation<sup>2</sup>. The continuing high population growth (2,5% per year<sup>3</sup>) poses a further challenge, as two million young people enter the labour market every year. Women and marginalized groups such as persons with disabilities face additional burdens in accessing education and job opportunities.

To secure the country's economic growth and achieve further employment effects, the Ethiopian economy must become more competitive. This requires the availability of qualified specialists that fit the needs of the Ethiopian economy. However, industry surveys reveal that many businesses do not find graduates (TVET and University) to be qualified workers, which can be explained by weaker foundations of the TVET students as TVET often is not the first choice, by poor program design, insufficient links to the employers and low teaching quality in TVET institutions. The new Education and Training Policy published by the Government in 2023 addresses those concerns by promoting a close link of TVET with the transformation and growth of economic sectors by involving the private sector in the steering and implementation of TVET.

At the same time, the global economy is undergoing a rapid transformation driven by digital technologies, green transformation, reshaping industries, business models, and job markets, that forces also Ethiopian economic sectors to adapt their way of working to remain competitive. The Ethiopian government is responding to the global digital transformation with its strategy 'Digital Ethiopia 2025' to ensure the country's digital development and the adaptation of the economy to the new requirements. The comprehensive strategy includes infrastructure investments, the promotion of digital literacy, and the use of innovation and technology to improve service delivery and foster economic inclusion. The strategy singles out four priority sectors, namely agriculture, manufacturing, IT services, and tourism.

However, the lack of entrepreneurial skills and entrepreneurship support is a barrier preventing Ethiopia from realizing the potential of its digital economy. While (digital) entrepreneurship offers significant potential for innovation and job creation, a low number of TVET graduates build their own business, as their chances are heavily restrained by the lack of relevant skills and unfavourable framework conditions. These framework conditions include limited access to finance, a lack of mentorship and business training, inadequate digital infrastructure and digital governance, and complex and unequal regulatory frameworks, that favour state-owned enterprises. Ethiopia has one of the lowest rates of entrepreneurial activity in the sub-Saharan African region. Only 15% of Ethiopian adults engaged in early-stage entrepreneurship compared to above 30% in Nigeria, Ghana and Uganda<sup>4</sup> and only 23% of Ethiopian start-ups successfully passed the early stage<sup>5</sup>. Among the established businesses women-led business are underrepresented. Whereas the general labour market participation strongly increased over the years (2023: 75% for women vs. 86% for men), the number of women owned businesses is stagnating (2016: 32,2 %; 2022: 30%<sup>6</sup>). Equally numbers for businesses with female participation in ownership (2015: 36%) and

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<sup>2</sup> Min. of Education, 2019

<sup>3</sup> Source: World bank data, <https://data.worldbank.org/indicator/SP.POP.GROW?locations=ET> (visited 6.12.2024)

<sup>4</sup> Source : Xavier et al., Global Entrepreneurship Monitor 2012 Global Report, 2012

<sup>5</sup> Source: JICA, Start-ups ecosystem: Ethiopia – Addis Ababa, 2023

<sup>6</sup> Source: WB Gender Data Portal, 2022

women in top management (2015: 4,5%) are low<sup>7</sup>. According to the World Bank's Ethiopia Gender Diagnostics Report (2019), women also routinely work for lower wages and in unsafe conditions, including the risk of sexual harassment.

To counterbalance those developments a stronger focus on building entrepreneurship skills among TVET students and additional support for young entrepreneurs (especially female entrepreneurs) to build and develop their own businesses is needed.

DESTA addresses these challenges on two levels. While the focus of the Finnish National Agency for Education is on strengthening TVET trainers' digital skills and their ability to provide digitally-enabled TVET (Specific Objective 2), GIZ is aiming at Specific Objective 3 "Digital Skills and Entrepreneurship for Youth" to enhance their digital competencies and employability. However, a substantial portion of the Ethiopian population, including TVET trainees, lacks basic digital skills. While many TVET students have yet to acquire foundational digital skills, there is an even greater need for specialized competencies such as coding, hardware maintenance, data analysis, cybersecurity, and digital marketing. Moreover, the absence of entrepreneurial skills and support for entrepreneurship further limits young people from fully harnessing the potential of the digital economy.

To address these challenges, Specific Objective 3 of the Action aims to enhance the digital and entrepreneurial skills of TVET students by developing and delivering digital training modules in collaboration with the private sector. Equipping young people with practical skills in digital technologies and entrepreneurship will empower them to succeed in a rapidly evolving job market. Special attention will also be given to overcoming the unique challenges faced by female students and those with disabilities, such as offering accessible learning resources and creating mentorship programs featuring successful female entrepreneurs as role models.

Two expected outputs are implemented by GIZ:

- (3.1) Digital, technical, soft and entrepreneurial skills development based on concrete high-demand sectors identified with the (local) private sector and EU/EUMS investors, (regional) value chain development and other market dynamics.
- (3.2) Gender-specific support provided to female students to meaningfully participate in and contribute to the digital economy.

Output 3.1 will be achieved through the following main indicative fields of activities

- 3.1.1 Undertake a situational analysis (jointly with SO2) to understand the digital and entrepreneurial skills training programme being offered by TVET colleges and assess the digital readiness and the current accessibility of TVET programmes and facilities for students with disabilities.

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<sup>7</sup> Source: WB Gender Data Portal, 2015

- 3.1.2 Consult with the private sector to obtain input on what type of digital skills training TVE  
Conduct a thorough assessment to identify potential partners and training institutions considering conflict sensitivity aspects.  
Conduct a thorough assessment to identify potential partners and training institutions considering conflict sensitivity aspects.

The first step involves conducting a situational analysis to identify the current digital and entrepreneurial training programs offered by TVET institutions conducted jointly for the Finnish Contribution (SO2) and GIZ (SO3). Secondly, collaboration with the private sector will be crucial in gathering insights into the specific digital, technical, and soft skills required for students entering the workforce. To promote sustained private sector engagement, exchange mechanisms between TVET institutions, sectoral associations, and member companies will be supported. The exchange mechanisms should ensure continuous alignment of training content with evolving labour market needs. Importantly, the exchange mechanisms will be fully aligned with the private sector exchange mechanisms that will be established resulting from the TVET strategy and the linked legal frameworks, which are currently being developed with the support of the STEP IV programme. By anchoring private sector collaboration within the national policy framework, the initiative ensures coherence, long-term relevance, and institutional sustainability, ultimately supporting a demand-driven, responsive, and future-ready TVET system.

Based on the outcome of the situation analysis and aligned with the training modules for TVET teachers developed in SO2, training modules for TVET trainees will be developed with a focus on digitalisation and entrepreneurship, including technical and soft skill components SO3.

## **2. Tasks to be performed by the contractor**

The objective of this assignment is to contribute to output 3.1.1 and conduct a situational analysis of Ethiopia's TVET ecosystem in the regions of Addis Ababa, Oromia and Somali to translate the digitalization priorities of the Government into concrete requirements regarding the digital competences of trainers and inclusive digital training delivery.

The contractor shall

- Undertake a situational analysis to understand digital and entrepreneurial skills training programme being offered by TVET colleges according to gender and assess the digital readiness and the current accessibility of TVET programmes and facilities for students with disabilities
- Analyze the existing ICT curricula and teachers' capacities, including the mainstreaming of ICT in non-ICT subjects
- In addition, digital delivery platforms and CoE concept definitions and support initiatives shall be considered.
- Identify the missing system-level decisions (ICT standards, teacher pathways, governance of digital platforms, CoE roles etc.)
- Identify the current financing and implementation capacity constraints at federal and regional levels
- Generate a strong evidence base to inform programme design and prioritisation.

The contractor is responsible for providing the following services:

- Review of key strategies, policies and reports (e.g. Digital Ethiopia 2025, TVET strategies, MOPEDE outcomes)
- Analyze existing ICT curricula and financing constraints of TVET college
- Assess current teacher capacities, including digital competencies and existing teacher training pathways
- Mapping of existing digital skills of TVET trainers (baseline assessment)
- Identify gaps in digital training content, delivery models and access to training
- Conduct a gender gap analysis to identify existing disparities in digital skills in TVET sectors between gender
- Analyze and mapping of existing digital skills of TVET trainers (baseline)
- Identify gaps in digital training content, delivery and access
- Explore institutional capacity and regional readiness for scaling digital training
- Assess the current use and potential of digital delivery platforms for training provision
- Analyze the relevance and feasibility of Centers of Excellence (CoE) concepts, including their potential role in the system
- Identify missing system-level decisions, including ICT standards and frameworks, governance models for digital platforms, roles and functions of CoEs, teacher qualification and career pathways
- Assess financing structures and identify financial and implementation capacity constraints at federal and regional levels
- Analyze entrepreneurial skill programs by TVET colleges to address gaps in entrepreneurial skill training capacities and facilities in TVET
- Assess the degree of inclusion of women, persons with disabilities and learners with a higher risk for marginalization or dropouts
- Identify good practices, challenges, and opportunities from past and ongoing interventions (e.g. MOPEDE)
- Identify interventions for private sector engagement, esp. the engagement of European investments

#### Key deliverables:

- Inception report on methodology, sampling, tools and timeline
- Draft a concise Situational Analysis Report (max.25 pages + annexes)
- Present results of Situational Analysis Report in a validation workshop
- Final report with key recommendations and data sets

<b>Milestones/partial works</b>	<b>Deadline/place/person responsible</b>	<b>Criteria for acceptance</b>
Inception Report	15.7.2026	Delivery of report
Draft Report	30.8.2026	Delivery of report
Validation Report	30.9.2026	Delivery of report
Final Report: Situational Analysis	31.10.2026	Delivery of report

Period of assignment: from 07/2026 until 12/26 (6 months).

### 3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

#### Technical-methodological concept

**Strategy (1.1):** The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system** (1.3.2).

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable, take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

The tenderer is required to describe its contribution to knowledge management for the partner (1.5.1) and GIZ and to promote scaling-up effects (1.5.2) under **learning and innovation**.

#### Project management of the contractor (1.6)

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert days) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

### 4. Personnel concept

The tenderer is required to provide personnel who are suited to filling out the positions described, on the basis of their CVs (see Chapter 7), the range of tasks involved, and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.



## **Team leader**

### Tasks of the team leader

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local and international short-term experts
- Key Expert in Digitalization in the TVET sector
- Regular reporting in accordance with deadlines

### Qualifications of the team leader

- Education/training (2.1.1): university degree (German 'Diplom'/Master) in education, engineering, ICT or related disciplines
- Language (2.1.2): C2-level language proficiency in English
- General professional experience (2.1.3): 9 years of professional experience in the TVET sector
- Specific professional experience (2.1.4): 5 years in digitalization in TVET
- Leadership/management experience (2.1.5): 5 years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): 5 years of experience in projects in East Africa (region), of which 2 years in projects in Ethiopia (country)
- Development cooperation (DC) experience (2.1.7): 5 years of experience in DC projects

### Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

## **Short-term local expert pool with minimum 2 members, maximum 5 members**

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

### Tasks of the short-term expert pool

- Conduct a TVET trainer digital skills baseline (quantitative and qualitative)
- Map existing digital TVET modules (public, private, donor-funded)
- Perform a gap analysis of inclusive, sector-specific digital training resources

- Conduct gender, disability, and conflict sensitivity assessments in selected regions

#### Qualifications of the short-term local expert pool

- Education/training (2.6.1): 1 expert with university qualification (German 'Diplom'/Master) in social sciences, education or related disciplines, 2 experts with university qualification (German 'Diplom'/Master) in education, social sciences, engineering, ICT or related disciplines
- Language (2.6.2): 3 experts with C2-level language proficiency in English
- General professional experience (2.6.3): 8 years of professional experience in the TVET sector
- Specific professional experience (2.6.4): 1 expert with 5 years of professional experience in Gender/Inclusion in TVET, 2 experts with 5 years of professional experience in digital skills and monitoring in TVET
- Regional experience (2.6.5): 3 experts with 5 years of experience in East Africa (region), 3 experts with 5 years of experience in Ethiopia (country)
- Development cooperation (DC) experience (2.6.6): 3 experts with 2 years of experience in DC
- Other (2.6.7): Local languages Amharic, Oromo, Somali

The tender must provide a clear overview of all proposed short-term experts and their individual qualifications.

## **5. Costing requirements**

### **Assignment of personnel and travel expenses**

Per diem allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable from the [German Federal Ministry of Finance – tax treatment of travel expenses and allowances for international business travel as of 1 January 2026 \(GERMAN ONLY\)](#)).

Accommodation allowances are reimbursed as detailed in the specification of inputs below.

With special justification, additional Accommodation costs up to a reasonable amount can be reimbursed against evidence.

All business travel must be agreed in advance by the officer responsible for the project

### **Sustainability aspects for travel**

GIZ has undertaken an obligation to reduce greenhouse gas emissions (CO<sub>2</sub> emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO<sub>2</sub> efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

CO<sub>2</sub> emissions caused by air travel must be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The [Development and Climate Alliance \(German only\)](#) has published a [list of standards \(German only\)](#). GIZ recommends using the standards specified there.

## Contracts for works

The following basic calculations for the contract for works are a reference value based on the acceptance criteria for each partial work/milestone specified in Chapter 2 (Tasks to be performed by the contractor).

Since the contract to be concluded is a contract for works, we would ask you to offer your services at a lump sum price.

In addition, the assessment of the financial bid is also based on the underlying daily rate.  
**Please also provide the underlying daily rate.**

Milestones/partial works	Estimated expert days for orientation	Deadline/place/person responsible
Inception report	5	15.7.2026
Draft report	50	30.8.2026
Validation report	20	30.9.2026
Final report	25	31.10.2026

Travel expenses	Quantity	Number per expert	Total	Comments
CO <sub>2</sub> compensation for air travel	1		240	A fixed budget of EUR <b>240</b> is earmarked for settling carbon offsets against evidence.
Fixed travel budget	1		21.000	A fixed budget of EUR <b>21,000.00</b> is earmarked for settling travel expenses against evidence.  You can find further information on the travel expense budget in the 'Price schedule' document. Please use the 'Explanations' column in the price schedule to break down the individual items. Settlement is possible only until the budget is depleted.
Other costs	Number	Price	Total	Comments

<b>Flexible remuneration</b>	1	8,000	8,000	A budget of EUR 8,000 is foreseen for flexible remuneration. Please incorporate this budget into the price schedule.  Use of the flexible remuneration item requires prior written approval from GIZ.
<b>Workshops</b>	1	500	500	The budget contains the following costs printing, stationary, moderation material etc.
<b>Operating costs in country of assignment</b>	1	2,000	2,000	The budget contains the following costs working materials, communication costs, insurances, licenses, printing costs etc..

## Workshops, events and trainings

The contractor contributes to the following workshops:

1 validation workshop.

## 6. Inputs of GIZ or other actors

GIZ and/or other actors are expected to make the following available:

workstations on GIZ premises

Transportation on site with own project vehicle

Logistics for workshops: invitation of participants, organization of workshop, premises, catering

## 7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English.

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English.

As the contract to be concluded is a contract for works, please offer a fixed lump sum price that covers all relevant costs (fees, travel expenses etc.). The price bid will be evaluated on the basis of the specified lump sum price. In addition, please also provide the underlying daily rate. A breakdown of days is not required.

## **8. Annexes**

- Ethiopian Technical Vocational Training Strategy, Ministry of Labour and Skill, July 2025
- Report on National TVT Digitalization Framework Implement Plan, and IT Infrastructure and Digital Skills Standards, November 2025
- STEP IV Impact Matrix
- MOPEDE Report