

ASIAN DEVELOPMENT BANK

TAR:TON 36377

TECHNICAL ASSISTANCE

TO THE

KINGDOM OF TONGA

FOR

BUSINESS DEVELOPMENT SERVICES

May 2003

CURRENCY EQUIVALENTS

(as of 20 March 2003)

Currency Unit	–	pa'anga (T\$)
T\$ 1.00	=	US\$0.4919
US\$1.00	=	T\$2.0329

ABBREVIATIONS

ADB	–	Asian Development Bank
BDS	–	business development services
MLCI	–	Ministry of Labor, Commerce and Industries
MSMEs	–	micro, small and medium-scale enterprises
SMEs	–	small and medium-scale enterprises
TA	–	technical assistance

NOTE

This fiscal year (FY) of the Government ends on 30 June.

This report was prepared by A. Iffland, Project Economist.

I. INTRODUCTION

1. An assessment of business development services (BDS) was carried out in Tonga as part of a regional technical assistance (TA)¹ in 2002. The results of the BDS market survey, implemented in cooperation with the Tongan Chamber of Commerce and Industry and the Ministry of Labor, Commerce and Industries (MLCI), were presented and discussed at a national stakeholder workshop together with international best practices in BDS. The workshop generated concrete recommendations on how to develop and strengthen the market for BDS in Tonga. This not only increased interest among the private sector and the Government but also resulted in a participatory project design. During the Country Programming Mission in 2002, the Government of Tonga requested that the Asian Development Bank (ADB) provide grant funding for advisory TA in 2003 to support the development of micro, small, and medium-scale enterprises (MSMEs) through BDS. The TA will also build on and strengthen ADB's ongoing support for the economic and public sector reform program and the Government's efforts to support private sector development in this context.²

2. An ADB Fact-Finding Mission³ visited Tonga in August 2002, followed by consultations in December 2002 and March 2003. The Mission continued discussions with private sector organizations, the business community, BDS providers, and government agencies. The Mission traveled to Vava'u, Ha'apai, and 'Eua for consultations with government officials and the private sector. The Mission's findings and the stakeholder recommendations were presented at a wrap-up meeting on 22 August 2002 and are summarized in a memorandum of understanding. The TA framework is in Appendix 1, and the summary initial social and poverty analysis is in Appendix 2. The Government reconfirmed its strong interest in and support for the TA and highlighted its timeliness.⁴

II. ISSUES

3. The key objective of Tonga's national strategic vision is the attainment of a higher standard of living for all Tongans. Achievement of this objective has been limited by low long-term economic growth and by employment growth well below the rate of increase of the labor force. These disappointing developments reflect policy and governance environments that have discouraged private sector investment. The ADB strategy for Tonga supports the Government's development goals stated in its *Strategic Development Plan Seven, 2001–2003*. The Government's strategic objectives emphasize the need to achieve a steady average gross domestic product growth of around 5% in real terms through a dynamic and competitive economy driven mainly by the private sector and an efficient public sector.

4. Consistent with the *ADB Pacific Strategy for the New Millennium*, the strategy for Tonga focuses on the core objectives of (i) promoting economic growth, (ii) fostering good governance, and (iii) supporting equitable social development. The achievement of these goals is mainly supported by (i) the Government's economic and public sector reform program to facilitate economic growth through a stable macroeconomic environment, and enhancing the efficiency

¹ ADB. 2000. *Private Sector Development in Pacific Developing Members Countries*, TA 5963-REG, for US\$350,000, approved on 15 December 2000. Manila.

² ADB. 2002. *Economic and Public Sector Reform Program*, Loan 1904-TON(SF) for SDR8,020,000, approved on 28 May 2002. Manila.

³ The Mission comprised A. Iffland, project economist/mission leader; and C. Reichert, consultant.

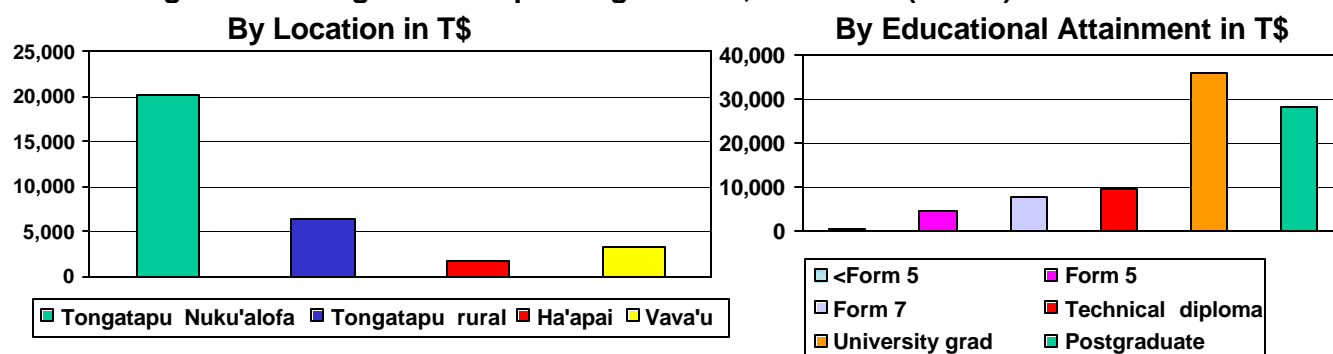
⁴ The TA first appeared in the *ADB Business Opportunities* on 8 January 2003. Manila.

and effectiveness of the public service;⁵ and (ii) improvements in the regulatory environment to enable private sector growth.⁶

5. An analysis of BDS for MSMEs was carried out in 2002 (footnote 1). The BDS sector analysis included an assessment of the availability and outreach of and the demand for BDS. The quantitative analysis of the demand for BDS is based on a sample survey of 150 MSMEs.⁷ The sample covered the three main island groups of Tongatapu, Ha'apai, and Vava'u and included all economic sectors. A qualitative analysis of BDS providers enabled an assessment of the supply side.

6. The survey revealed that a market for BDS exists, and major BDS types such as accounting, legal services, communication, internet services,⁸ transport services, advertising, various training, and consultancy services are available to the business community. Service providers exist for all major service fields. The survey showed substantial spending on BDS by the sample. However, spending is strongly concentrated on a small number of services, namely transport, communication, advertising, and accounting. The BDS market is also highly segmented: spending substantially exceeds the average (i) on the main island of Tongatapu, particularly in Nuku'alofa; (ii) by medium-scale enterprises; (iii) by joint ventures; and (iv) by the most educated business owners. Spending by micro enterprises, in rural areas, and on the outer islands is very low to negligible (Figure 1).

Figure 1: Average annual spending on BDS, 2000-2001 (N=150)



7. Services are provided by public as well as private sector operators. While government service provision by organizations like the Civil Service Training Center, Tonga Trade, the Cooperative Department, or Tonga Development Bank is visible in the sample, its overall outreach is smaller than service provision by private sector firms. Government or aid agency-driven service provision is typically concentrated on training, consultancies, and trade promotion. These services are provided free or at highly subsidized rates, but the market for

⁵ ADB. 2002. *Economic and Public Sector Reform Program*, Loan 1904-TON(SF), for US\$10 million, approved on 28 May 2002. Manila.

⁶ An assessment of administrative barriers to private sector investments is being carried out in cooperation with the Foreign Investment Advisory Service (FIAS) under TA 5963-REG.

⁷ A quota sampling procedure for location, enterprise size, and economic sector was used based on the licencing register of MLCI. The survey does not claim to be representative, as it had to also include randomly selected non-licensed microenterprises. However, major groups and places are represented in the sample. A modified "Usage – Attitude – Image" survey, a market research tool, was used. The survey was carried out through personal interviews of the sample, which resulted in a 100% response rate.

⁸ Internet services are available on all main island groups. Internet cafes exist in Nuku'alofa and Neiafu. Tonga Telecom Corporation has reported a continuous increase in demand.

them is small. In general, buying BDS plays a much bigger role than free service acquisition. Free services play only a minor role in trade fairs, business information, and training.

8. Demand, or the strong expression of interest in BDS, and supply do not always meet. A large segment of the sample respondents indicated that they do need training and advisory services but are unable to find a suitable supplier. Certain BDS types are perceived as not available, although they are actually on offer by a range of BDS providers. This indicates a mismatch between what customers want or can afford and what providers offer.

9. On one hand, medium-scale businesses, particularly joint ventures or foreign-owned enterprises located in the capital, have access to and use a broad range of BDS provided by the private and the public sector as well as externally funded schemes specifically targeting this upper market segment. On the other hand, micro and small enterprises, mainly under Tongan ownership and management, use BDS to a much lesser extent. For micro businesses and most businesses on the outer islands, their spending for BDS tends to be equal to their telephone bill and some transport cost. Further, no facility addresses the support needs of business starters.

10. The survey revealed (i) an existing mismatch between demand for and supply of BDS; (ii) the underutilization of services, particularly by micro and small enterprises and businesses located on the outer islands; and (iii) the lack of business education and general support for potential entrepreneurs. Hence, deepening the BDS market and increasing the outreach of services are essential for a more dynamic development of MSMEs.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

11. The TA aims to contribute to private sector-led economic growth, increased income, and employment opportunities by promoting MSME development. The TA will facilitate market development for BDS: bridge gaps between existing demand and supply of BDS; deepen the market to reach micro and small enterprises; and stimulate demand, particularly in the rural areas and outer islands. The purpose of the TA is to improve the performance of existing and budding/start-up micro and small enterprises through their utilization of BDS. Increased use of BDS will lead to improved competencies of new and existing entrepreneurs and will subsequently enhance the performance of the enterprises. The TA will have the following outputs: (i) increased outreach and use of BDS by micro and small enterprises, particularly in rural areas and the outer islands; (ii) public awareness and interest in entrepreneurship, business development, and self-employment; and (iii) availability of business information through a commercially operated website.

B. Methodology and Key Activities

12. The TA will focus on developing the market for commercially oriented BDS rather than on the supply of more subsidized services. The Committee of Donor Agencies for Small Enterprise Development⁹ spearheads the development of this approach following discouraging results of earlier approaches of externally driven and subsidized BDS. Consequently, the TA will

⁹ Established in 1979 to (i) exchange information, (ii) share experiences and lessons learned, and (iii) coordinate efforts and develop common guidelines for small enterprise promotion. Since 1995, the Committee has distilled best practice in BDS, and has summarized guidelines for project design and monitoring in the publication: Committee of Donor Agencies for Small Enterprise Development. 2001 Edition. *Business Development Services for Small Enterprises: Guiding Principles for Donor Intervention*. Washington D.C. This publication is also referred to as the "Blue Book."

not attempt to build institutional capacity in government to continue the activities after TA completion. By bridging the gap between supply and demand, private sector suppliers of BDS will be able to sustain activities after the TA is completed. This approach of direct support *vis a vis* capacity building aims at creating a transparent BDS market that does not require further support. This is a new and innovative approach to small enterprise promotion. The TA has an experimental character and will, as an additional output, contribute to the ongoing international discussion on BDS.

13. **Output 1.** Two BDS facilitation units will be established in Nuku'alofa to cover Tongatapu rural and 'Eua, and in Neiafu to cover Vava'u and Ha'apai. These units will be conduits between BDS providers (the supply side) and MSMEs (the demand side). A roster of cooperating BDS providers and services will be established for referral to MSMEs. BDS providers will be supported in analyzing the appropriateness of their products and in developing new, and modifying existing, services to respond to the demand. Marketing campaigns jointly organized by the TA and BDS providers will raise awareness and expand the market for BDS. The facilitation unit will operate a funding facility to provide incentives for first-time users of BDS by sharing the costs of the BDS purchased. Detailed eligibility criteria will be developed with representatives of the BDS provider and MSMEs at the beginning of TA implementation. Utilization of the fund will be monitored on a quarterly basis, and an impact assessment will be carried out at the end of TA implementation.

14. **Output 2.** In a small and underdeveloped BDS market like Tonga, where demand and supply are concentrated on a small customer segment of medium-scale and urban enterprises, market development and deepening first of all require demand-side interventions to generate and stimulate awareness of and demand for BDS. Multi media campaigns, workshops, and seminars for a wide range of societal groups will be conducted to build knowledge and understanding for business development, self-employment, and entrepreneurial options. An information kit on business start-up procedures and basic business education material will be prepared. Pilot activities for business start-ups, e.g. training, counseling, and business planning in schools, will be implemented with support from BDS providers.

15. **Output 3.** A website will be set up to provide relevant information on BDS providers as well as other business information. The website will offer advertising for BDS and other business-related activities. It will contain basic information on business start-up, available support services, and the legal requirements and regulatory environment. All organizations providing or demanding relevant business information will be encouraged to participate in and contribute to this website. A business plan for the website operation will be designed based on cost recovery and transfer to a private operator. The facilitating units will offer introductory courses on how to access and use the internet and the BDS home page.

16. The TA is based on several assumptions, which are crucial for its successful implementation. It is assumed that (i) the support to develop the BDS market will be attractive to a sufficient number of BDS providers; (ii) sociocultural factors and the reliance on remittances will not prevent individual entrepreneurial initiative, so that young people in particular will be motivated for self-employment and small business opportunities; (iii) an increasing number of MSMEs will already have access to internet facilities; and (iv) a sufficient number of BDS providers will be interested and willing to participate and contribute to the website.

17. Comprehensive performance and impact monitoring and evaluation form part of this TA. Results and lessons learned will be disseminated to all stakeholders and to the Committee of Donor Agencies for Small Enterprise Development to further the international discussion on best

practices in SME development and BDS. Indicators have been formulated to enable a cost-benefit assessment.

C. Cost and Financing

18. The cost of the TA is estimated at US\$313,000 equivalent, of which US\$72,000 is the foreign exchange cost and US\$241,000 equivalent is the local currency cost. The Government has requested ADB to finance US\$250,000 equivalent, covering the entire foreign exchange cost and US\$178,000 equivalent of the local currency cost. The TA will be financed on a grant basis by ADB's TA funding program. The Government will provide (i) radio and television time for (a) awareness creation and social marketing of entrepreneurship and business development, and (b) marketing of BDS; (ii) office space in Nuku'alofa and Vava'u; and (iii) counterpart staff. The TA will finance (i) international and domestic consulting services; (ii) office and computer equipment; (iii) training, a workshop, and conferences; (iv) a BDS funding facility; and (v) surveys and awareness campaigns. Detailed cost estimates are in Appendix 3.

D. Implementation Arrangements

19. MLCI will be the Executing Agency of the TA. MLCI will chair the project coordinating committee, whose membership will comprise suppliers and customers of BDS as well as representatives of business associations. A BDS facilitation unit will be established in Nuku'alofa with a branch office in Neiafu. These units will be located outside any cooperating organization to ensure and reflect their independence. To facilitate the smooth implementation of the TA, an advance payment facility will be established with MLCI in accordance with ADB's Guidelines for Disbursement of TA Grants. The advance amount will be up to US\$70,000 equivalent for the expenditures of office and computer equipment, training, seminars, conferences, awareness campaigns, and cost-shared BDS services.

20. The individual consultants, one international and two domestic, will have specialization in (i) BDS funding facilities; (ii) small enterprise development; and (iii) business education and marketing. The consultants' terms of reference are in Appendix 4. The TA will be implemented over a period of 36 months beginning in May 2003. The international consultant (1 person-month) will design the BDS funding facility and backstop its implementation. Two domestic consultants for a total of 72 person-months will (i) manage the BDS facilitation units, (ii) build a network of BDS providers, (iii) carry out BDS market research, (iv) run awareness and BDS marketing campaigns, (v) administer the BDS funding facility, and (vi) design and manage a business information website. The small enterprise specialist/team leader will submit a quarterly progress report and a draft final report within 2 weeks after completion of the assignment. The expected TA completion date is April 2006. The individual consultants will be selected and engaged by ADB in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Procurement under the TA will be in accordance with ADB's Procurement Guidelines.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of US\$250,000 on a grant basis to the Government of Tonga for Business Development Services, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
Goal Micro, small, and medium-scale enterprises (MSMEs) generate increased economic growth, income, and employment opportunities.	By June 2004, the gross domestic product increases by 2% annually. By December 2005, the unemployment rate falls by 5%.	National accounts	No natural disasters occur.
Purpose Existing and budding MSMEs improve their performance by using business development services (BDS).	By January 2006, at least 150 new businesses have been started with support from the facilitation unit and BDS. By January 2006, at least 60% of MSMEs using BDS with support from the facilitation unit have increased their business operations by at least 20%.	Records of facilitation unit and Ministry of Labor, Commerce and Industries (MLCI) Survey of balance sheet, and profit and loss statements of MSMEs	The Government continues to provide a conducive environment for MSME development.
Output 1 Outreach and use of BDS by micro and small enterprises have increased.	By December 2004, at least 50% of client referrals to BDS providers have resulted in the purchase of BDS.	Records of BDS providers	BDS providers are interested in cooperating. MSMEs appreciate the value of BDS and are willing to purchase BDS.
Activities 1.1 Establish and operate a BDS facilitation unit in Nuku'alofa and Vava'u. 1.2 Set up a network/roster of cooperating BDS providers. 1.3 Design and run marketing campaigns	By December 2004, at least 300 MSMEs have consulted the facilitation units. By June 2004, at least 60% of all BDS providers in Tonga have registered with the network/roster. By November 2003, a BDS marketing campaign has		

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>on the usefulness of BDS.</p> <p>1.4 Establish a funding facility for BDS market development.</p> <p>1.5 Support providers in developing new demand-oriented services.</p> <p>1.6 Document and disseminate lessons learned.</p>	<p>been launched and continues to run quarterly.</p> <p>By October 2003, rules and regulations for the funding facility are in place.</p> <p>By July 2005, at least 65% of the funding has been utilized.</p> <p>At least three new BDS services are available annually.</p>		
<p>Output 2</p> <p>Public awareness and interest in entrepreneurship, business development, and self-employment has been generated.</p>	<p>By January 2006, MLCI and the facilitation units received at least 500 inquiries on business start-up.</p> <p>By June 2004, a business education day is held annually at secondary schools and vocational training centers.</p>	<p>Records of MLCI and facilitation units</p> <p>School calendars</p>	<p>Sociocultural factors and the consumptive use of remittances do not deter or distract people from venturing into business.</p>
<p>Activities</p> <p>2.1 Design and run multimedia campaigns, workshops, and seminars for various societal groups on entrepreneurship and business development, and self-employment.</p> <p>2.2 Prepare an information kit on business start-up procedures and basic business education material.</p> <p>2.3 Conduct pilot activities for business</p>	<p>By January 2006, at least 2 multimedia campaigns have been conducted.</p> <p>BDS providers disseminate information kit and business education material to their clients.</p> <p>At least 6 pilot activities have been design and</p>		

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>start-ups, e.g., training, counseling, and business planning in schools.</p> <p>2.4 Document and disseminate lessons learned.</p>	<p>implemented by January 2006.</p>		
<p>Output 3 Business information is available through a commercially operated website.</p>	<p>The business community uses the website as one of its main channels of exchange of information.</p>	<p>Survey of business community</p>	<p>The public and MSMEs have sufficient access to internet facilities.</p> <p>Businesses are interested and willing to pay for web-based advertising.</p>
<p>Activities</p> <p>3.1 Design and maintain a business information website.</p> <p>3.2 Develop a cost recovery mechanism.</p> <p>3.3 Prepare and upload business-oriented self-learning materials.</p> <p>3.4 Prepare for the transfer of website operation to a private business entity.</p> <p>3.5 Run introductory courses on how to assess and use the internet and the BDS home page.</p>	<p>By December 2004, a website is launched and updated weekly.</p> <p>By October 2004, website operations reach the break-even point.</p> <p>Website operations are successfully tendered by March 2006.</p>		
<p>Inputs Counterpart staff and overall project steering from MLCI; support from the project coordinating</p>			

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
committee; computer and office equipment; multimedia campaigns; training, workshops, and conferences; BDS funding facility; international and domestic consulting services			

SUMMARY INITIAL POVERTY AND SOCIAL ANALYSIS

A. Linkages to the Country Poverty Analysis

Sector identified as a national priority in country poverty analysis?	Yes	Sector identified as a national priority in country poverty partnership agreement?	Yes
Contribution of the sector/subsector to reduce poverty in the Kingdom of Tonga: Given the small size of the Tongan economy, opportunities to earn cash income are limited to government employment and a small number of jobs in the private sector. There is limited understanding of the concept of self-employment and entrepreneurship development. The performance of existing micro, small, and medium -scale enterprises (MSMEs) is characterized by limited growth and the lack of knowledge of and appreciation for business development services (BDS). The technical assistance (TA) will address both, potential and existing entrepreneurs, and will facilitate their market entrance and business performance, respectively. This will contribute to private sector-led growth, employment opportunities, and increased income.			

B. Poverty Analysis

Proposed Classification: Pro-poor

What type of poverty analysis is needed? None

C. Participation Process

Stakeholder analysis: A survey assessing the availability and outreach of BDS and the demand for BDS in Tonga was carried out under TA5963-REG: Private Sector Development in Pacific Developing Member Countries. The sample survey included 150 MSMEs and a qualitative analysis of BDS providers. The results were presented at a national stakeholder workshop held in Nuku'alofa in August 2002. The design of the TA is based on the participants' recommendations.
Participation strategy required: No

D. Potential Issues

Subject	Significant, Not Significant, Uncertain, None	Strategy to Address Issues	Plan Required
Resettlement	None		None
Gender	None		None
Affordability	None		None
Labor	None		None
Indigenous People	None		None
Other Risks/Vulnerabilities	None		None

COST ESTIMATES AND FINANCING PLAN
(US\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. International Consultant			
a. Remuneration and Per Diem	19.0	0.0	19.0
b. International and Local Travel	7.0	1.0	8.0
c. Communication and Reporting	1.0	0.0	1.0
2. Domestic Consultants			
a. Remuneration and Per Diem	0.0	70.0	70.0
b. Local Travel	0.0	12.0	12.0
c. Communication and Reporting	0.0	2.0	2.0
3. Office and Computer Equipment	15.0	0.0	15.0
4. Training, Workshops, and Conferences	22.0	12.0	34.0
5. Awareness Campaigns and Surveys	0.0	13.0	13.0
6. BDS Expenditure	0.0	40.0	40.0
7. Communication and Reporting	0.0	4.0	4.0
8. Miscellaneous Administration and Support Costs	0.0	5.0	5.0
9. Contingencies	8.0	19.0	27.0
Subtotal (A)	72.0	178.0	250.0
B. Government Financing			
1. Office Accommodation	0.0	13.0	13.0
2. Project Management/Counterpart Staff	0.0	21.0	21.0
3. Awareness Campaigns and Workshop Facilities	0.0	11.0	11.0
4. Other Administrative Support	0.0	18.0	18.0
Subtotal (B)	0.0	63.0	63.0
Total	72.0	241.0	313.0

BDS = business development services.

^a Financed by the TA funding program.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Consulting services for the technical assistance (TA) will be provided by international and domestic consultants. Their designations and tasks (with category and person-months in parentheses) are as follows.

A. Business Development Consultant (international, 1 person-month)

2. The consultant specialized in the design of funding facilities for business development services (BDS), will assist the Ministry of Labor, Commerce and Industries (MLCI) and the team of domestic consultants to design the funding facility, provide information on BDS development, and support the evaluation of activities on a regular basis.

3. The specific duties and responsibilities of the consultant are to do the following:
- (i) Design rules, regulations, and operational procedures for the funding facility.
 - (ii) Prepare an operations manual and public information material for the funding facility.
 - (iii) Develop a detailed performance and impact monitoring and evaluation system and support the domestic consultant in its application.
 - (iv) Provide information on new developments in BDS.
 - (v) Support annual evaluation and operational planning activities.

4. The consultant must have (i) a degree in economics, business administration, or other relevant subject for small and medium-scale enterprise (SME) development; (ii) a minimum of 15 years experience in SME development, and the planning and delivery of BDS and associated funding facilities; and (iii) experience in providing technical support using information technology (IT).

B. Small Enterprise Development Specialist (domestic, 36 person-months)

5. The specialist will, under the guidance of MLCI and supported by the project coordinating committee, stimulate the market for BDS. Working with various societal groups and stakeholders, the specialist will develop awareness campaigns to generate greater understanding for and interest in business operations and to appreciate self-employment as an attractive alternative wage to employment. As the team leader, the specialist will guide the operations of the facilitation unit in Vava'u and will be responsible for overall TA management.

6. In particular, the specialist will undertake the following activities:
- (i) Establish two BDS facilitation units, operate the main unit in Nuku'alofa, and supervise the operations of the unit in Vava'u.
 - (ii) Set up a roster of and network with private and public sector BDS providers, and jointly develop with the modes of cooperation with regard to marketing campaigns for BDS, funding facility, and a business information website.
 - (iii) Conduct activities to raise public awareness about business development and entrepreneurship, and prepare marketing campaigns for BDS.
 - (iv) Provide first-stop information on business start-up and expansion, and operate a referral system for MSME to BDS providers.
 - (v) Prepare basic business information and BDS promotional material for MSME clients.
 - (vi) Develop and maintain a business information website and prepare a cost-covering funding concept.

- (vii) Guide and supervise the business education specialist located in Vava'u.
- (viii) Liaise with aid agencies and other business development organizations, and solicit additional support if and when required.
- (ix) Prepare and submit to MLCI, the project steering committee, and the Asian Development Bank (a) quarterly progress reports, and (b) a project completion report within 2 weeks of completion of the TA.

7. The consultant will have (i) a university or postgraduate degree in business administration, economics, social sciences, or a related subject; (ii) 5 years of management experience, preferably in the private sector; (iii) advanced computer literacy and knowledge of website design; and (iv) proficiency in both the Tongan and English languages.

C. Business Education Specialist (domestic, 36 person-months)

8. The specialist will provide advice on business education and manage the BDS facilitation unit in Vava'u. Under the guidance and supervision of the small enterprise development specialist, the business education specialist will perform the following specific duties and responsibilities:

- (i) Design and implement business education programs and BDS marketing campaigns in collaboration with BDS providers, local media, and education organizations.
- (ii) Develop and implement (a) market research on BDS, and (b) impact analysis of BDS.
- (iii) Provide first-stop information on business start-up and expansion, and operate a referral system for MSME to BDS providers in Vava'u.
- (iv) Assist in the preparation of business information and promotional material.
- (v) Contribute to and assist in the management of the business information website.
- (vi) Source, acquire, and upload self-learning materials on business start-up, business planning, and business management for MSMEs.

9. The consultant will have (i) a university or postgraduate degree in commerce, business administration, marketing, or related subject; (ii) 5 years experience in marketing and/or business education; (iii) preferably with work experience in IT-related fields; and (iv) proficiency in both the Tongan and English languages.