

TERMS OF REFERENCE

Sierra Leone Skills Development Project Skills Development Fund Consultant,

Project Fiduciary Management Unit, Ministry of Finance

1. BACKGROUND

Sierra Leone labor market is characterized by relatively high participation and low unemployment, as well as high underemployment and informality. The youth unemployment rate is two times higher than the average among working-age adults. While the differences in labor market outcomes by gender are small, there are substantial differences in labor market outcomes between urban and rural populations and among individuals with different levels of education.

Although Sierra Leone presents promising opportunities for private sector growth and investment, key market failures inhibit the ability of firms to maximize this potential and hinder firm productivity. The poor supply of market-relevant skills serves as a major constraint preventing firms from modernizing and improving product quality. At an aggregate level, skills constraints curtail private sector investment in the economy and limit the extent to which the economy can expand and create employment. A skills gap assessment conducted by the African Development Bank (AfDB) suggests that the workforce in Sierra Leone lacks both foundational and technical skills, and the high cost of training is often prohibitive, especially for small and medium domestic enterprises. Addressing these constraints will require both private and public sector investment in the supply of, and demand for, skills. Experience from other countries, including Pakistan, India, and Ghana, has shown that public funding for skills acquisition and technological improvements in strategic sectors, if properly targeted, can offset market failures and move countries toward a higher skills equilibrium while contributing to increased labor productivity. Furthermore, public finance to boost skills acquisition has the potential to catalyze private sector spending for skills enhancement, particularly among larger multinationals who depend on domestic firms to participate in their global value chains.

The Government of Sierra Leone has received a credit of \$20m from the World Bank toward the cost of the Sierra Leone Skills Development Project. The project supports the Government's overall human capital development agenda through skills upgrading. The project funding also allows the establishment of a Skills Development Fund. The Skills Development Fund is an initiative embedded in Sierra Leone's economic development strategy, which emphasizes that the country's capacity to increase labor productivity depends on its ability to develop skills of its workers and improve the overall level of education of its citizens.

The objective for the Skills Development Project (SDP) and thus the Skills Development Fund (SDF) is 'to develop a demand-led skill development system to support Sierra Leone's Economic Development and Poverty Reduction Strategy'

There are three outcome indicators by which progress towards achievement of the Project Development Objective will be measured:

- (a) Increased number of youth (of which x% are female) having access to demand-led skills development training programs;
- (b) Increased number of businesses in the productive sectors providing skills upgrading for young employees, interns and apprentices; and
- (c) Foundations for systems of demand-led skills development established.

The project has two components: (i) **Skills Development Fund (SDF); and (ii) Capacity Building and System Strengthening.**

Component 1: Skills Development Fund (US\$19m)

This Component aims to increase access to demand-led skills upgrading in Sierra Leone. A Skills Development Fund (SDF) will be established under the Project and will be the main platform for supporting demand-led skills development. The platform will be shared between private enterprises (employers), training providers, and school leavers (job seekers). The SDF supports skills demand and supply through two corresponding windows:

Window 1 targets selected training institutions that wish to improve the relevance and quality of their training programs and to introduce new short-term courses for out-of-school unemployed and underemployed youth, with a focus on girls. Window 1 is divided into two tiers (sub-windows), focusing on formal and non-formal TVET, respectively

Window 2 targets businesses in the productive sectors (agriculture, fisheries, mining, construction and tourism) that need to address the skills gaps to expand their production and markets, or to upgrade their production process to climb higher up the value chain. Window 2 is divided into two tiers (sub-windows), one for micro enterprises in the informal sector, and one for small, medium and large enterprises in the formal sector.

Component 2: Capacity building and system strengthening (US\$3m)

Component 2 aims at building a foundation for a demand-led skills development system through: (i) establishment of an integrated skills information system to support evidence-based analysis and policy development; and (ii) piloting the accreditation of skills training programs with the participation of industries.

2. BRIEF DESCRIPTION AND OBJECTIVE OF THE ASSIGNMENT

The SDF has been created to serve as the main platform for supporting demand-led skills development. The platform will be shared between private enterprises (employers), training providers, and school leavers (job seekers). In summary, the SDF is supposed to:

- (a) Stimulate competition and delivery of innovative program offerings;
- (b) Promote collaboration between enterprises and training centers and institutions;
- (c) Improve the efficiency of training provision;
- (d) Increase employability of out-of-school youth; and
- (e) Increase skills acquisition among disadvantaged groups.

The Government would like to employ the services of a Fund Management Consultant to manage the implementation of the SDF in an efficient, effective and transparent manner, in line with the development objectives of the SDP. The objective of the assignment is to establish and effectively operationalize a Skills Development Fund Secretariat to be located at the Ministry of Technical and Higher Education. The SDF Consultant will recruit a SDF Fund Manager, who will be the day-to-day head of the SDF Secretariat. The SDF Secretariat is responsible for all administration, supervision and logistic required to operate the SDF and secure the implementation in line with the main principles laid down in SDF Manual including the results framework for outcome and outputs

The SDF Consultant may be an individual company or a consortium of international and Sierra Leone companies

3. SCOPE OF SERVICES

In consultation with the Skills Development Project Steering Committee, the SDF Consultant will be responsible for achievement of the results related to the SDF. The SDF Consultant will provide all technical, managerial and administrative expertise required in order to achieve project objectives. Furthermore, the SDF Consultant will manage its budget, maintain the requisite staff and presence in Sierra Leone and take care of all logistics related to the operation of the SDF Secretariat and the activities to be undertaken by the secretariat and the project.

4. TECHNICAL SUPPORT

The SDF Consultant's head office shall provide all backstopping required to ensure successful implementation of the assignment, as indicated by achievement of the planned results. This entails frequent quality assurance visits and provision of short-term technical assistance as needed.

5. Responsibilities of the Fund Management Team

- a. Establish and operationalize an effective Skills Development Fund Secretariat to control and effectively manage the Skills Development Fund, ensure compliance and non-contradiction with the objectives of the project;

- b. Identify, structure, and disburse investment funds and technical assistance to eligible and qualified training institutions and businesses with relevant and viable proposals which satisfy fund investment criteria for the Project;
- c. The Consultant shall nominate an ‘Assignment Manager’ with overall responsibility for the Consultant’s assignment, normally stationed at the Consultant’s home office, but making regular management visits and maintain the requisite staff in Sierra Leone to liaise with SDP Steering Committee and the World Bank
- d. The SDF Consultant will recruit and maintain an SDF Fund Manager who will be the day-to-day head of the SDF Secretariat and the following full-time professional staff: a Grant Specialist, two Grant Officers, a Financial Controller (accountant), a Monitoring and Evaluation (M&E) specialist.
- e. The SDF Consultant is responsible for all reporting regarding the activities of the Skills Development Fund. This includes progress reports, financial statements and M&E data collected in accordance with the SDP M&E Guidelines.
- f. The SDF Consultant will submit quarterly progress reports in line with the principles stated in the Project Appraisal Document (PAD).
- g. Any other duties as directed by the Skills Development Project Steering Committee.

6. Number of Key Staff Required: Six (6)

The **Fund Management Secretariat** should demonstrate the internal capacities applicable to the SDF Consultant's role. Such capacities shall, among others, include a Skills Development Fund Manager, 2 Grant Specialists, a Grant Officer, a Financial Controller (accountant), a Monitoring and Evaluation (M&E) Specialist and support staff.

7. Qualification and Experience of the Fund Management Team

Interested Firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. Firms should include in their Technical Proposal a profile of the team leader or his/her company and/or institution, the team’s understanding of the assignment, the methodology to carry out the consultancy, and a curriculum vitae of the key staff that will be involved in the assignment.

The prospective firm(s) must provide relevant details of demonstrable experience in managing similar Fund arrangements with considerable knowledge of skills development training institutions and business in the productive sectors in post-conflict contexts in Africa. The firm(s) must demonstrate capabilities in structuring deals as well as ability to provide technical

assistance, especially relating to the needs of TVET institutions and businesses. They must also show detailed experience in developing or advising skills development projects in sub-Saharan Africa; and show a track record of sub-Saharan African or comparable investment experience (including case studies, and profile/brochure of funds under management), as well as experience with impact investments.

Qualification and experience for key staff include:

The SDF Secretariat will have the following full-time professional staff: a Fund Manager, two grant specialists, a grant officer, a financial controller (accountant), and an M&E specialist. For other purposes such as communication and IT, the Secretariat will rely on external short-term expertise. Furthermore, the SDF Consultant shall provide ad hoc international technical expertise as required.

Fund Manager (Sierra Leonean)

The tasks of the Fund Manager include:

- Overall day-to-day responsibility for SDF operations
- Responsible for the efficient and effective use of available resources and financial management of the Fund
- Ensures that the Fund is transparent, accountable and protects the interests of the key stakeholders by developing appropriate strategies, policies and procedures for the Fund in collaboration with MoF and the World Bank to ensure that the Fund is safeguarded
- Is in charge of the involvement of external consultants and collaboration with external partners
- Responsible for promoting the Fund to all potential contributors
- Reporting to the SDP Steering Committee, MoF (PFMU) and the World Bank on the progress of SDF and other relevant matters
- Key contact person for issues regarding the Fund.

Qualifications: Minimum of a master's degree in social science related field of study; and at least 8 years' experience in fund management, preferably related to skills development and business enterprise.

Financial Controller (Sierra Leonean)

The tasks of the Financial Controller include:

- Preparing the SDF annual budget
- Tracking utilization levels and patterns as per established budget lines per window
- Preparing monthly and annual status reports on Fund resources
- Preparing disbursements for approval by the SDF Manager

- Assessing budgets and financial management capacity of grantees and other recipients of Fund resources
- Controlling expenditures throughout the year
- Suggesting measures to ensure optimum and proper utilization of the Fund's resources
- Implementing audit recommendations for improving the financial systems and accounting procedures.

Qualifications: A minimum of master's degree in social sciences or ACCA, and at least 5 years' experience as finance officer in donor-funded projects.

Grant Specialists (2 Sierra Leoneans)

The tasks of the Grant Specialists include:

- Develops and implements guidelines to be followed by potential beneficiaries of the Fund. This involves developing appropriate selection criteria of beneficiaries for each funding window of the Fund
- Reviews strategic plans, business plans and proposals submitted by beneficiaries of the Fund against the guidelines for each window
- Provides guidance and feedback to beneficiaries of the Fund
- Technical supervision of supported TVET activities
- Conduct of due diligence of applicants
- Coordinate collaboration with external partners in relation to Window 4, coaching and training of supervisors/mid-level managers
- Guides the work of grant officer.

Qualifications: A minimum of master's degree in accounting/ Financial Management and at least 5 years' experience working with donor funded project.

Grant Officer (Sierra Leonean)

The tasks of the Grant Officer include:

- Implementation of guidelines to be followed by potential beneficiaries of the Fund. This involves developing appropriate selection criteria of beneficiaries for each funding window of the Fund
- Review of strategic plans, business plans and proposals submitted by beneficiaries of the Fund against the guidelines for each window
- Provide guidance and feedback to beneficiaries of the Fund
- Technical supervision of supported TVET activities.

Qualifications: A minimum of a Bachelor degree in Accounting, Financial Services, Business Management, and at least 5 years' experience working with projects and businesses.

M&E Specialist (2)

The tasks of the M&E Specialist include:

- Establish effective M&E mechanism, with baselines, on the basis of the SDP M&E Guidelines
- Develop an annual M&E plan and ensures that activities are conducted as stipulated in the plan
- Collect and collate relevant information for planning purposes and to establish levels of success against project objectives, best practices and lessons learnt
- Monitor on a periodic basis, activities of investment and recurrent funded projects
- Conduct final evaluations of concluded projects (grants)
- Participate in the development of selection criteria of beneficiaries of the Fund.
- Make preliminary recommendations on applicants' submissions for further evaluation
- Liaise closely with the SDP program level M&E Consultant
- Prepare an annual M&E report.

Qualifications: A minimum of master's degree in project management /Statistics, at least 5 years' experience in the implementation of M&E routines for projects.

Support staff

The SDF Consultant will provide all support staff required for the implementation.

8. PERFORMANCE CRITERIA/ DELIVERABLES

- a. The following performance criteria will be used to assess the performance of the SDF Consultant based upon which the contract may be continued or terminated:
 - Timely Establishment and operationalization of the SDF Secretariat.
 - Timeliness and quality of assistance provided to the Secretariat to enhance the performance of their core functions
 - Timeliness in the submission of progress reports, financial statements and M&E data
 - Regular visit of Assignment Manager to the Skills Development Secretariat for backstopping and updating the SDP Steering Committee.
 - Meeting established target output/outcome indicators in a timely fashion by achieving annual project deliverables as follows:

No	Deliverables	Year
1	<p>Set up and operationalize the Skills Development Fund Secretariat through:</p> <ol style="list-style-type: none"> a. Recruitment of competent staff of the secretariat and provide all technical, managerial and administrative expertise to the project b. Set up an Information, Education and Communication system to facilitate visibility of the fund countrywide and to potential target beneficiary (Evidence of points of visibility, radio and television adverts, interaction with schools and businesses in the target sector) c. Provide a mandatory induction training to all the selected grantees for each window on: (i) general contractual obligations; (ii) basic financial management and reporting; (iii) procurement; (iv) environmental and social safeguards procedures; and (v) anti-corruption policies. d. Provide capacity building support to grant beneficiaries by making available the assistance of a qualified application consultant (service provider) at the expense of the grantee e. Prepare disbursement forecast that will determine annual grant utilization target for the attention of the Grant and Project Steering Committees f. Prepare, maintain and provide monthly or quarterly progress reports, financial statements and M&E data collected in accordance with the SDP M&E Guidelines to the grant and project steering committees 	Yr 1
2	<p>Provide all technical, managerial and administrative expertise to the project</p> <ol style="list-style-type: none"> a. Undertake Information, Education and communication drive to increase visibility of the fund and facilitate fund (Evidence of points of visibility, radio and television adverts) b. Provide a mandatory induction training to all the selected grantees for each window on: (i) general contractual obligations; (ii) basic financial management and reporting; (iii) procurement; (iv) environmental and social safeguards procedures; and (v) anti-corruption policies. c. Provide capacity building support to grant beneficiaries by making available the assistance of a qualified application consultant (service provider) at the expense of the grantee d. Prepare disbursement forecast that will determine annual grant utilization target for the attention of the Grant and Project Steering Committees e. Prepare, maintain and provide monthly or quarterly progress reports, financial statements and M&E data collected in accordance with the SDP M&E Guidelines to the grant and project steering committees 	Yr. 2

3	<p>Provide all technical, managerial and administrative expertise to the project</p> <ul style="list-style-type: none"> a. Undertake Information, Education and communication drive to increase visibility of the fund and facilitate fund (Evidence of points of visibility, radio and television adverts) b. Provide a mandatory induction training to all the selected grantees for each window on: (i) general contractual obligations; (ii) basic financial management and reporting; (iii) procurement; (iv) environmental and social safeguards procedures; and (v) anti-corruption policies. c. Provide capacity building support to grant beneficiaries by making available the assistance of a qualified application consultant (service provider) at the expense of the grantee d. Prepare disbursement forecast that will determine annual grant utilization target for the attention of the Grant and Project Steering Committees e. Prepare, maintain and provide monthly or quarterly progress reports, financial statements and M&E data collected in accordance with the SDP M&E Guidelines to the grant and project steering committees 	Yr. 3
4	<p>Provide all technical, managerial and administrative expertise to the project</p> <ul style="list-style-type: none"> a. Undertake Information, Education and communication drive to increase visibility of the fund and facilitate fund (Evidence of points of visibility, radio and television adverts) b. Provide a mandatory induction training to all the selected grantees for each window on: (i) general contractual obligations; (ii) basic financial management and reporting; (iii) procurement; (iv) environmental and social safeguards procedures; and (v) anti-corruption policies. c. Provide capacity building support to grant beneficiaries by making available the assistance of a qualified application consultant (service provider) at the expense of the grantee d. Prepare disbursement forecast that will determine annual grant utilization target for the attention of the Grant and Project Steering Committees e. Prepare, maintain and provide monthly or quarterly progress reports, financial statements and M&E data collected in accordance with the SDP M&E Guidelines to the grant and project steering committees 	Yr. 4

5	<p>Provide all technical, managerial and administrative expertise to the project</p> <ol style="list-style-type: none"> a. Undertake Information, Education and communication drive to increase visibility of the fund and facilitate fund (Evidence of points of visibility, radio and television adverts) b. Provide a mandatory induction training to all the selected grantees for each window on: (i) general contractual obligations; (ii) basic financial management and reporting; (iii) procurement; (iv) environmental and social safeguards procedures; and (v) anti-corruption policies. c. Provide capacity building support to grant beneficiaries by making available the assistance of a qualified application consultant (service provider) at the expense of the grantee d. Prepare disbursement forecast that will determine annual grant utilization target for the attention of the Grant and Project Steering Committees e. Prepare, maintain and provide monthly or quarterly progress reports, financial statements and M&E data collected in accordance with the SDP M&E Guidelines to the grant and project steering committees 	Yr. 5
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8. Duration of Assignment

The duration of the assignment is five (5) years subject to annual appraisal by the steering committee.

9. Submission of Reports and Obligations

Reports to be submitted:

- Upon signing of the contract, the firm will be required to present an inception report to the Project Fiduciary Management Unit (PFMU) of the Ministry of Finance, outlining the approach/methodology for delivering the services under this assignment. The inception report will include a revised methodology and confirm the availability of the key staff in the proposal submitted. This submission should also include a detailed work plan outlining all critical activities to be undertaken under this assignment for the full length of the contract period, with clear dates of delivery and specific deliverables at the conclusion of each activity

- Quarterly progress reports (both financial and technical);
- Annual reports (both financial and technical). The technical report should include the performance of the Fund, covering the following:
 - details on the number of Concept Notes, full proposals, annual reports, PCRs, evaluations etc. appraised and staff time spent on these
 - details on response times to applicants
 - a detailed overall assessment of the impact of the Fund over the year
 - recommendations of any remedial actions required for individual proposals
 - recommendations on any changes in process or Fund criteria
- A Final Report on the assignment at the expiration of the contract. This is to cover a detailed statement on the overall operation and performance of the Fund, including detailed recommendations on the management of the Fund beyond the closure of SLSDP.

10. Duty Stations:

The primary duty stations for the assignment will be the Ministry of Technical and Higher Education Office in Freetown, with extensive travels to the provinces.

11. Services and Facilities to be provided by the Client:

The following facilities and services will be made available to the consultants:

- Relevant documentation on Sierra Leone Skills Development Project (PAD, SDF Manual etc.);
- Key policy documents relevant to the Education and other relevant sectors in Sierra Leone etc.

12. Language of the Assignment

All reports and deliverables under this assignment are expected to be in the English language.