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**GOVERNMENT OF SIERRA LEONE  
REQUEST FOR EXPRESSIONS OF INTERESTS  
DATE OF ISSUE: 15<sup>TH</sup> NOVEMBER 2023  
CONSULTING SERVICES FOR AN INDIVIDUAL CONSULTANT TO CONDUCT AN  
ASSESSMENT AND DEVELOP PROCEDURES FOR ROLLING OUT THE SME CO-  
INVESTMENT FACILITY**

The Government of Sierra Leone and the World Bank are implementing the Sierra Leone Economic Diversification Project (SLEDP or the Project). The Project Development Objective (PDO) is to increase investment and growth of small and medium enterprises in non-mining productive sectors. The project is expected to deliver on its objectives by strengthening the business enabling environment, facilitating strategic public investments to improve competitiveness and investments, supporting SMEs and entrepreneurs, and building capacity of public institutions and private sector operators.

Component 2 of the SLEDP aims to facilitate SME growth and stimulate entrepreneurship in high-growth productive sectors by addressing critical firm-level and sector-level constraints including (i) low access to information (ii) poor last mile infrastructure (ii) limited access to finance, (iii) weak capacity to scale businesses. Specific activities in this component to address these challenges include public goods investment, SME and start-up acceleration, and early-stage financing.

One of the sub-components under Component 2 of the SLEDP aims to connect SMEs to additional finance critical to support them during their growth stage of development (sub-component 2.2 “Leveraging additional private investment”). To help leverage this additional capital and investment support, SLEDP will set aside resources (up to US\$1.5 million) with the aim of investing or co-investing in growth-oriented SMEs and entrepreneurs. The timespan of leveraging such investments with the help of SLEDP will be approx. 2 years.

Implementation of this sub-component will be guided by the due diligence assessment of how the investment instrument should be structured (equity, quasi-equity, debt or grants). The assessment will also define other operational issues such as targeted amounts (initially planned to be up to US\$100,000 per company) and disbursement mechanisms.

Following the due diligence assessment, the Guidelines for selecting beneficiaries Leveraging Private Investment for SMEs under SLEDP will be developed, which will include definitions on how companies will be selected for co-investments, the modality of co-investing. Decisions on awards to SMEs will be done by independent and professional investment managers to be hired by SLEDP for that specific purpose. A specific and tailored focus will be given to women-owned businesses with potential to access these additional investment resources.

## **1. Objective of Assignment**

The Project is looking for a service provider to conduct an Assessment for the SLEDP SMEs Co-investment Facility and recommend proposed design and structure of the facility to support its implementation and operationalization. The Service Provider will develop guidelines for Leveraging Private Investment under such facility.

## Scope of Assignment

The overall objective of the assignment is to assess the SME finance landscape and recommend the best approach and possible instrument to structure the support in terms of the forms of capital (equity, quasi-equity, debt, or grants), areas and conditions of investment, to achieve the best impact in supporting growth-oriented SMEs leverage additional private investment. The assignment is expected to define other operational and strategic issues such as targeted amounts, “low hanging fruits”, industry sectors and geographic distribution.

In addition, the Service Provider will develop detailed Guidelines for Leveraging Private Investment for SMEs under SLEDP. Such guidelines will include definitions on how companies will be selected for co-investments, the modality of co-investing as well as monitoring and evaluation protocols.

The aim of the consultancy is to provide a realistic, and clear pathway, with detailed procedures and criteria of how the Government of Sierra Leone can leverage additional private investment to support the most promising SMEs in Sierra Leone with the support of SLEDP.

## Eligibility Criteria

The Individual consultant wishing to participate in this project must meet the following eligibility criteria:

- A Masters Level University Degree in finance, investment, business administration, commerce, or economics is a must. Combinations of multiple relevant fields highly desirable.
- At least 10 years’ experience in SME financing, venture capital or angel financing in Sub-Saharan Africa.
- At least three years’ experience in ECOWAS sub-region and similar contexts. Experience in Sierra Leone will be an added advantage
- Proven experience in successfully leveraging financing for at least 10 SMEs in Sub-Saharan Africa.
- A proven track record of providing financing and investment advice and actually, securing financing or investment to SMEs for the last 24 months in Sub-Saharan Africa.
- Should have worked with at least 10 SMEs to access finance in the aggregate amount of at least 1 million USD (or equivalent in other currency) in the form of equity, quasi-equity, debt, or grants.
- Experience in developing SMEs or Start-ups investment tools and procedures (manuals, prospects, proposals, etc.) in Sub-Saharan Africa
- International networking capability in the area of SME financing.
- Fluent in written and spoken English.

## 2. Timeframe, Description of tasks and Deliverables

The assignment will be completed within 9 weeks from signing of the contract.

In order to achieve the objectives of this assignment the Service provider will be required to implement the following activities and submit the following deliverables:

No	Deliverable	Activity	Remarks and details on the activity
1	<p>Deliverable 1: Assessment of the SME finance landscape in SL with the objective of understanding what type of financing instruments are available, what sectors are targeted, for what stage of SMEs and what the role of Governments have been in leveraging private sector finance for SMEs in other similar context with an assessment of the risks etc. This could also briefly look at the demand side constraint (what has been the challenge for SMEs in accessing finance) but this does not have to be extensive as this is well documented already.</p>	<p>1.1. Hold the inception meeting with the SLEDP team and agree on the interim timelines for each deliverable and details/ co-ordination of implementation.</p> <p>1.2. Assess the landscape to understand existing financing instruments, target sectors, stages of targeted SMEs, role of government in leveraging private sector investment and highlighting challenges SMEs face in accessing these finances</p>	<p>The report shall be based on the analysis of the growth-oriented SMEs framework and ecosystem in Sierra Leone, including at least 15-20 documented regional and sectoral meetings and analysis of the growth oriented SMEs (on-site assessments) and their sector organizations (unions, associations). The report will cover at least the following components:</p> <ul style="list-style-type: none"> <li>(i) defining and profiling the growth-oriented SMEs in Sierra Leone;</li> <li>(ii) key informant interviews;</li> <li>(iii) best international practice review of similar instruments in the sub-region: detailed analysis of at least 2 functioning similar SME investment support (co-financing, or similar) facilities in Sub-Saharan Africa;</li> <li>(iv) overview and lessons learned from previous similar projects in Sierra Leone (grants, co-investments, loans, etc) and lessons from international examples;</li> <li>(v) overview of SLEDP-supported SMEs and their potential to utilise support of the facility.</li> </ul> <p>Additional analysis may be suggested by the Service provider in the methodology of the proposal.</p> <p>Service provider must have the ability of independently screening and identifying the most promising growth-oriented SMEs, sectors and relevant stakeholders in the country, and conclude in-person, in-country interviews and deliver the overall assessment.</p>
2	<p>Deliverable 2: Advise on the options for the GoSL on the optimal design of an instrument to leverage additional finance weighing the pros and cons. Provide a proposed</p>	<p>2.1 Undertake an Assessment on the potential SLEDP co-investment/support facility to leverage additional private investment by the</p>	<p>A comprehensive due diligence assessment will cover the following areas/topics:</p> <ul style="list-style-type: none"> <li>(i) how a potential SLEDP investment instrument/facility should be structured in terms of the forms of capital (equity, quasi-equity, debt or grants),</li> </ul>

	design for the establishment and operationalization of the Project's leveraging facility.	growth-oriented SMEs.	<ul style="list-style-type: none"> <li>(ii) areas and conditions of investment, to achieve the best impact in leveraging additional private capital for SMEs, and</li> <li>(iii) defining strategic and operational issues, such as: <ul style="list-style-type: none"> <li>(a) targeted SLEDP support amounts and their justification;</li> <li>(b) potential "low hanging fruits" in terms of industries, investment areas, etc.</li> <li>(c) geographic distribution;</li> <li>(d) communication strategy and implementation plan (detailed in terms of activities, and timeline of implementation).</li> </ul> </li> </ul> <p>The initially planned amounts by the project were up to US\$100,000 per company. Also, it was expected that a likely disbursement scenario for initial implementation may be grants that will match equity or quasi-equity investments from private funders. However, these initial suggestions should be validated and may be different depending on the findings of the Due diligence.</p>
3	Deliverable 3: Guidelines for Leveraging Private Investment for SMEs under SLEDP	3.1 Develop detailed Guidelines for Leveraging Private Investment for SMEs under SLEDP	<p>Such guidelines will include:</p> <ul style="list-style-type: none"> <li>(i) definitions and procedures on how companies will be selected for co-investments;</li> <li>(ii) the modality of co-investing;</li> <li>(iii) reporting, monitoring and evaluation protocols;</li> <li>(iv) recommendation for specific and tailored approach by the facility to women-owned businesses, with potential to access these additional investment resources through SLEDP.</li> </ul> <p>The guidelines will include in the Annex the draft TOR for selection of the Independent and professional investment managers to be hired by the SLEDP, specifically for selection and implementation of the targeted SME financing.</p> <p>These guidelines will be based on the analysis undertaken under Deliverables 1 and 2 and the best international practice for implementing such investments.</p>
4	Develop a pipeline of potential beneficiaries and investors to	<ul style="list-style-type: none"> <li>• Engage potential beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Identify potential companies that could easily attract investment</li> </ul>

	collaborate in rolling out activity	Engage investors	<ul style="list-style-type: none"> <li>• Engage with investors in the market and investors looking at opportunities in Sierra Leone</li> <li>• Understand the pipeline of investors in the market and challenges they face</li> </ul>
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### Reporting

Biweekly status calls with the SLEDP Project Coordination Unit (PCU) team and the Small Medium Enterprises Agency (SMEDA) and bi-weekly submission of activities report to PCU and SMEDA with detail progress update.

### Mode of Application

Note: The Consultant will be selected in accordance with Individual Consultant (IC) method set out in the Consultant Guidelines: Selection and Employment of Consultants under IDA Grants by World Bank Borrowers, Fifth Edition September 2023

All expressions of interest should be sent to the email below:

**sleconomicdiversification@gmail.com**

Closing Date:

The Closing Date and time for receipt of applications is 29<sup>th</sup> November 2023 at 16:00pm.

**Only short-listed consultant will be contacted**