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**GOVERNMENT OF SIERRA LEONE  
REQUEST FOR EXPRESSIONS OF INTERESTS  
DATE OF ISSUE: 24<sup>th</sup> NOVEMBER 2023  
CONSULTING SERVICES FOR THE REVIEW OF THE SIERRA LEONE SME POLICY,  
SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY-SMEDA ACT AND  
DRAFTING OF THE SMEDA REGULATIONS**

The Ministry of Trade and Industry of Sierra Leone (MTI), together with development partners, designed the national SME Policy in 2016 and the Parliament has passed the Small and Medium Enterprises Development Agency (SMEDA) Act, 2016.

**SME Policy**

The main objective of the SME Policy 2016 is to create a conducive environment within which SMEs can operate and thrive. This involves the removal of constraints that restricted growth of the SMEs. While not focusing exclusively on specific sectors or sub-sectors, the policy deals with critical areas that impinge the SME sector. This includes Sierra Leone's fiscal, monetary and banking policy, trade and industry policy, appropriate technology, marketing, infrastructure development and institutional development. In effect, all support measures are provided across the board, irrespective of sector. The policy limits the role of government to the creation of an enabling environment for the sector, and the development of support programmes for implementation by the private sector.

However, in today's globalized world characterized by multinational and transboundary businesses, new free trade agreements, modern climate adaptation technologies, and booming digital business models, it is clear that SMEs need to have a supportive policy environment to take advantage of the emerging opportunities. Covid-19, also have made significant changes to the ways SMEs operate, adapt and innovate in the changing environment. Hence, SME policy should always be relevant, up to date with government priorities, strategic plans and have a positive impact on household welfare, inequality, poverty, and unemployment. The current SME policy does not fully capture these elements.

Thus, it will be important for the Government to review the SME policy and align it with the emerging global, continental and country development trends. It will seek to look at the wider picture which focuses on integrating SMEs into the African economic market and global trading system, especially considering the cross-cutting global and regional trends in SME innovation, climate change, value chains development, inclusiveness, digital innovation, local content and education.

**SMEDA Act, 2016**

SMEDA Act, 2016 has established SMEDA as a body corporate to coordinate the implementation of development programs for SMEs across all related stakeholders and be the pioneer of SME development in the country. It acts as the central point of reference for research and data dissemination on SMEs and entrepreneurship, while providing and building the ecosystem of business development services for SMEs and entrepreneurs throughout the country.

SMEDA also supports the creation of a more conducive environment for the development of innovative, resilient and globally competitive SMEs. The SMEDA Act has provided definitions of enterprises as well as the categorization of small and medium enterprises. In addition, SMEDA Act provides for the process of SME registration with SMEDA for the purpose of receiving various forms of support provided by the government.

Although SMEDA Act covers the essential aspects of SMEDA, its functions, SME definitions and registration, there is a need of better alignment of this act with other laws regulating private sector, registration of companies, tax and labor issues, local content, youth and gender aspects, inter-ministerial coordination, public private partnerships and other laws.

Hence, government intends to review the SMEDA Act and align it with the other ongoing private sector support initiatives and embed best regional and global practices for such legislation.

### **SMEDA Regulations**

SMEDA Act indicates that the Minister of Trade and Industry may by statutory instrument make regulations as it considers necessary or expedient for giving effect to the provisions of this Act. However, no Regulations have been enacted yet, and many important aspects like SME database, SME registration, SME support procedures, data management and others are not sufficiently specified.

In view of the above, the government is seeking services of the consultant or the firm (“the Consultant”) to deliver services of this assignment.

### **Overall objectives**

There are 3 overall objectives to this assignment:

- 1) Analyze current SME context and emerging trends in Sierra Leone and internationally, draft a framework of suggested changes to the SME Policy and SMEDA Act and facilitate a broad consultative process on the suggestions.
- 2) Draft specific amendments to the SME Policy and SMEDA Act, taking into account the analysis and consultative process undertaken.
- 3) Draft SMEDA Regulations to detail certain SMEDA Act provisions and provide specific procedures where necessary.

### **Description of tasks**

#### **Timeframe**

The assignment will be completed within 26 weeks from signing the contract.

#### **Approach**

First, the Consultant will review current SME Policy and SMEDA Act in light of other ongoing or planned initiatives in Sierra Leone related to increasing investment and growth of small and medium enterprises (including Sierra Leone Economic Diversification Project, Sierra Leone Agro-Processing Competitiveness Project, Jobs and Growth Programme and others), Medium-Term National Development Plan (2019-2023), Covid-19 response measures, as well as the latest regional and international trends in SME development.

In addition, an assessment of other laws and regulations related to SMEs development, specifically, related to the enterprise registration, tax regime, youth and gender laws, local content will be undertaken through the lens of SMEs. This will be done in close consultation with MTI, SMEDA and other relevant MDAs and taking into account other ongoing studies on SMEs. The objective of this review will be to formulate and help find consensus on the broad overarching, cross-sectoral national policy statements and SMEDA Act amendments that are reinforcing the ongoing initiatives and strategies, clarifying, to the extent possible, the ambiguities between different legislations in relation to SMEs and guiding public sector, SMEs and other stakeholders on the policy principles and specific SMEDA Act provisions in relation the SME development and sector coordination.

It will be important to document well the consultative process and provide a report on the suggestions considered by the stakeholders and recommendations (adoption or rejection). In organising consultations on policy and legislation amendments the consultant will be mindful of the ongoing Public Private Dialogue initiatives and will avoid duplication of meetings, but rather take advantage of the various dialogue and coordination platforms.

Subsequently, the Consultant will draft specific new versions of the SME Policy and SMEDA Act indicating the new suggested changes and their rationale based on the consultative process and

research undertaken. In the process of drafting new legislation, the Office of the Attorney-General and Minister of Justice shall be also closely involved.

Finally, the SMEDA Regulations will be drafted to provide details on the specific SMEDA Act provisions and procedures that do not have to be detailed in the law and may rather be left flexible for the secondary legislation. This process will closely involve MTI representatives.

### **Description of tasks and Deliverables**

While adhering to the general principles of the approach described above the consultant shall undertake the following tasks:

- 1) Undertake the desk-review of the current SME Policy and SMEDA Act in light of other ongoing or planned initiatives in Sierra Leone related to increasing investment and growth of small and medium enterprises (including Sierra Leone Economic Diversification Project, Sierra Leone Agro-Processing Competitiveness Project, Jobs and Growth Programme and others), Medium-Term National Development Plan (2019-2023), Covid-19 response measures, as well as the latest regional and international trends in SME development.
- 2) Review other laws and regulations related to SMEs development, specifically, related to the enterprise registration, tax regime, youth and gender laws, local content and others through the lens of SMEs;

**Timing: 4 weeks from signing of the Contract.**

**Deliverable 1: Formulate broad overarching, cross-sectoral national policy statements and draft SMEDA Act amendments that are reinforcing the ongoing initiatives and strategies, clarifying, to the extent possible, the ambiguities between different legislations in relation to SMEs and guiding public sector, SMEs and other stakeholders on the policy principles and specific SMEDA Act provisions in relation the SME development and sector coordination;**

- 3) Liaise with the MTI, SMEDA, MOF, MOPED, SLLCA, CAC, OARG and other stakeholders on the process of reviewing the current SME Policy and SMEDA Act.
- 4) Undertake a broad consultative process on the suggested amendments and report on recommendations made and considered by the stakeholders. The costs of hosting the events, publicity campaign, catering, equipment, communications and transport allowances (if needed) will be covered by the Client. The consultant will provide organisational and content support (including shortlisting, assessing and booking the venues, designing and drafting materials, agendas, invitations, shortlisting and inviting stakeholders, providing secretariat and registration support and others). In the process of organising the events the consultant will take due account to the internal procedures of the Ministries to process payment requests, review materials give approvals, to provide sufficient timing before the event. The purpose of these meetings will be to present the suggested policy and legislative changes, obtain feedback and collect additional views and recommendations on the most pressing legislative needs related to the SME sector.

**Timing: 10 weeks from signing of the Contract.**

**Deliverable 2: Organised 4 regional and 1 national consultative event on the suggested amendments and a Report on the consultative process undertaken, suggestions received and considered by the stakeholders and recommendations for their adoption.**

- 5) Draft specific new versions of the SME Policy and SMEDA Act indicating the new suggested changes and their rationale based on the consultative process and research undertaken. In the process of drafting new legislation, the Ministry of Trade and Industry and Office of the Attorney-General and Minister of Justice shall be also closely engaged.

**Timing: 16 weeks from signing of the Contract.**

**Deliverable 3: The revised draft versions of SME Policy and SMEDA Act with accompanying documents (consultative process report, memo for the reasons and details of the amendments and other process documents)**

- 6) Draft SMEDA Regulations to provide details on the specific SMEDA Act provisions and procedures that do not have to be detailed in the law and may rather be left flexible for the secondary legislation. This process will closely involve MTI representatives.

**Timing: 20 weeks from signing of the Contract.**

**Deliverable 4: Draft SMEDA Regulations detailing specific SMEDA Act provisions and procedures.**

- 7) Undertake a validation process on the suggested amendments and regulatory instruments. The costs of hosting the validation events, publicity campaign, catering, equipment, communications and transport allowances (if needed) will be covered by the Client. The consultant will provide organizational and content support (including shortlisting, assessing and booking the venues, designing and drafting materials, agendas, invitations, shortlisting and inviting stakeholders, providing secretariat and registration support and others). In the process of organizing the events the consultant will take due account to the internal procedures of the Ministries to process payment requests, review materials give approvals, to provide sufficient timing before the event. The purpose of these meetings will be to validate the suggested policy and legislative changes, obtain feedback and collect additional views and recommendations on the draft new regulatory instruments.

**Timing: 26 weeks from signing of the Contract.**

**Deliverable 5: Organized 4 regional and 1 national validation events on the suggested amendments and the Report on the validation process undertaken, together with the final draft versions of the relevant regulatory instruments.**

### **Qualification Requirements of the Consultant**

The Consultant - **SME Regulatory and Policy Expert** - an individual - shall have the following qualifications indicated below.

The Consultant will be responsible for the overall guidance and advice on the SME best practices, international trends in SME regulation, review of the SME-related regulatory framework of Sierra Leone and guiding policy dialogue and consultation process. The Consultant will be responsible for drafting all the project reports and liaising with the Government, drafting specific legal amendments to the SME policy, SMEDA Act and drafting SMEDA Regulations. Also, he/she will liaise with the Office of the Attorney General and Ministry of Justice and draft relevant technical legal papers (Information Memorandums) as needed. In case the consultant is not residing in Sierra Leone, he/she must be present in Sierra Leone for at least 3 visits, each not less than 2-3 weeks during the contract duration.

The Consultant must have the following minimal qualifications and experience:

- 1) Master's or equivalent degree in Law and at least 10 years of professional experience in the field of commercial law, contracts, company or similar fields of law;
- 2) At least 10 years' experience in advising or working with government or municipal authorities, government agencies or other public sector bodies on the policy implementation or regulatory environment;
- 3) Experience in reviewing or advising on the SME or private sector development laws, regulations or policies at least in 2 Sub-Saharan African countries during the last 5 years;
- 4) Experience in advising on the policy dialogue, consultative process and new legislation in Sub-Saharan African countries;
- 5) Past experience in private sector development, entrepreneurship or SME development activities; experience of similar work in Sierra Leone is an advantage;
- 6) Fluent in written and spoken English.

**Contract payment terms to the Consultant:**

- 1) Inception Report by the client 15%
- 2) Upon approval of the Deliverables 1 and 2 by the Client: 25% of the contract price;
- 3) Upon approval of the Deliverables 3 and 4 by the Client: 30% of the contract price;
- 4) Upon approval of the Deliverable 5 by the Client: 30% of the contract price.

**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:

**leconomicdiversification@gmail.com**

Closing Date:

The Closing Date and time for receipt of applications is 8<sup>th</sup> December 2023 at 16:00pm.

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