



## **Terms of Reference**


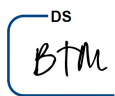
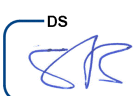
### **Engagement of a Responsible Party to collaborate with UNDP in the Implementation of Sierra Leone MSME Growth Accelerator Programme**

#### **1. BACKGROUND**

Sierra Leone is a low- income country with a youthful population. According to Statistics Sierra Leone, the majority of the population in Sierra Leone is young, with eight out of ten people being under 35 years old and about 41 per cent under the age of 15 and 62.5 per cent are under 25 years old. There is a dearth of good- quality jobs, particularly among youth and women. According to the country’s most recent labour force survey, 55.7 percent of individuals ages 15–35 participate in the labour force, deriving labour income mainly from self- employment. Sierra Leone has an ambitious goal to become a middle- income country by 2035 based on a private sector–led economy. About 70 percent of households in Sierra Leone rely on micro and small businesses operating within the informal sector, some of whom include women and young girls who have dropped out of school as a result of teenage pregnancy and other reasons. MSMEs that have strong potential for creating jobs are facing numerous challenges including, limited access to finance, limited entrepreneurship capacity, low productivity levels, lack of competitiveness, limited product diversification, limited capacity of public sector institutions to deal with private sector development, incomprehensive business regulatory framework conducive to private sector development and gender biases contained in financial and trade regulatory systems. In response to the prevailing challenges, the Sierra Leone MSMEs Growth Accelerator Programme has been initiated. These Terms of Reference (TOR) is an invitation for the preparation of a proposal by a Responsible Party for collaboration to support the programme initiatives of the Sierra Leone MSME Growth Accelerator Programme.

#### **2. PROJECT INFORMATION**

The Sierra Leone MSME Growth Accelerator Programme aims to accelerate growth of innovative, viable, and ambitious MSMEs with transformative economic impact through improved access to finance focusing on blended financing package (Grants, Loans and guarantees), Technical Assistance, and business development services. It is expected to deliver social impact by creating new jobs, addressing social and economic challenges through innovative business models, and providing low-income consumers with new or improved products and services. As part of the implementation of the Growth Accelerator Programme, an “Innovation Challenge” will be launched, which will require MSMEs to address key social and development challenges that align economic growth with the sustainable development goals (SDGs) and the African Union Commission’s Agenda 2063. The competition of ideas will allow MSMEs to put forward their innovative business models that traditional financial institutions would not ordinarily be considered for financing due to regulatory bottlenecks. The Challenge set will not be sector specific, but the applicants would rather need to provide solutions for challenges within the seventeen Sustainable Development Goals (SDGs). Sierra Leone’s MSMEs with an already proven business model are engaged in a variety of sectors.

These will include among others, 1) Agriculture; 2) Digital Economy; 3) Environment; 4) Affordable Renewable energy; 5) Education; and 6) Health sector. In addition, the project will work with local financial institutions to augment their capacity and skills to be able to finance.

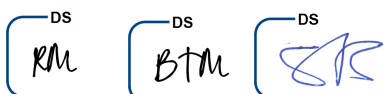
UNDP request proposal for the management of Sierra Leone MSME Growth Accelerator Programme. The accelerator seeks to provide grant funding to 40 successful business ventures (30 Micro (informal Sector) and 10 small and Medium (Formal Sector)) and 12 months of support to the successful ventures that are ready to grow and scale. The proposal should contain a detailed description of the services to be provided and the key experts/personnel, partners, and local and international business development services providers to be assigned for the implementation of the Sierra Leone MSME Growth Accelerator programme.

### 3. SCOPE OF SERVICES

In close coordination with UNDP, the prospective Responsible Party (NGO) shall be responsible to serve as the Lead Technical Partner responsible to design, run and manage the Sierra Leone MSME Growth Accelerator Programme including setting up the programme, mobilizing partners, recruiting business development service providers, developing call for applications, providing capacity building and mentorship for successful business ventures. The total budget for the Responsible Party shall not be more than US \$500,000.

#### 3.1 Required Services

- i. Identify and engage competent business development service providers with proven track record and experience in providing capacity building for the implementation of similar accelerator programmes within the region
- ii. Marketing the Growth Accelerator programme and its various “Innovation Challenges” to potential clients ensuring that there is sufficient appetite amongst ventures with the ability to innovate and to deliver social benefits to the poor;
- iii. Support in developing clear eligibility criteria for the “Innovation Challenge(s)”;
- iv. Develop the application form and guidelines for the Innovation Challenge;
- v. Subject all pre-selected applications to Due Diligence;
- vi. Facilitate and support the process of project preparation to ensure that projects maximize potential development impacts;
- vii. Monitor closely projects and, working with the selected grantees, evaluate the extent to which projects are delivering their intended outputs and, when sufficient time has elapsed, outcomes and impacts;
- viii. Deliver the technical assistance required either through in-house experts or affiliated experts in the subject matter requiring support from the start-up company;
- ix. Mentor and coach, the grantee company;
- x. Bridge selected “progressive entrepreneurs” part of the Growth Accelerator Programme” with impact investors and support the best and mutually most profitable matches (from deal origination to deal structuring and negotiation that is likely to materialize within 12 to 24 months).
- xi. Assist the selected ventures in their journey towards investability

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xii. Lead and collaborate on the process of reporting to UNDP

During the Competition of Ideas, the Partners will work closely with interested applicants to refine the business proposition. Thereafter all business proposals will be assessed by an Independent Investment Panel and the successful grantees will be contracted by UNDP. The technical partners will not make any decision on the selection of the selected grantees which is the remit of the Investment Panel. An Independent Investment Panel of knowledgeable professionals that have the expertise to make investment decisions will be appointed to ensure the best business propositions are being invested in. The Investment Panel uses its judgment to select projects that are likely to offer the best prospects for delivering commercially sustainable returns, substantial development impact, and contribution to systemic change in the sectors in which they operate. Having an independent panel ensures good governance and allows the Growth Accelerator Management team to interact closely with applicants without fear of loss of objectivity.

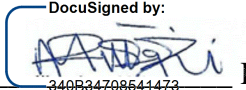
### 3.2 UNDP Role

UNDP plays the critical overall role of Financial and Management Oversight and Quality Assurance. The UNDP team will work closely with the Partners at Technical and Operational levels. The UNDP team will be responsible for overseeing the technical development and monitoring of all the work that the service provider delivers. UNDP also directly contracts all successful grantees through the accelerator programme Instrument that allows to provide grant finance to the companies. Another critical role of UNDP is to mobilize resources for replenishing the basket for additional Challenges to be launched.


### 4.0 TIME SCHEDULE

The total duration for the whole assignment by Responsible Party is 9 months (May 2022 to December 2022). The prospective Responsible Party (NGO) is requested to submit the proposed within 7 working days after receiving these Terms of Reference.

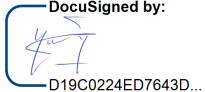
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**Approved by:**

  
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