



Terms of Reference for the Procurement of a public or private training institution for running a Financial Literacy Experiment in the Republic of Mauritius

TITLE	Procurement of a public or private training institution for running a Financial Literacy Experiment in the Republic of Mauritius
COUNTRY	Mauritius
REGION	Africa
DUTY STATION	Port-Louis
CONTRACT TYPE	RFP – Request for proposal
DURATION	Four months
STARTING DATE	Friday 8 July 2022

1. Background

According to a report by the Temple Group¹, as of Nov 2020, there were 116,000 registered SMEs in Mauritius, contributing to 42% of the GDP and 55% of employment. The latest figures gathered show that 47% of SMEs have a turnover of less than two million rupees annually and only 7% of them employ over 21 people. According to Statistics Mauritius, many of the smallest businesses in Mauritius, especially in the handicraft sector, are operated by women. Furthermore, according to the Ministry of Industry, SMEs and Cooperatives, the smallest companies in Mauritius and Rodrigues have one or two employees / owners with limited skills and capabilities in accounting or finance.

In Mauritius company financial returns are to be submitted to the Mauritius Revenue Authority or the Registrar of Companies and operational documents are to be written and submitted in English. The documentation also requires specific skills sets, including some knowledge of accounting and finance. On Thursday 17 June 2021 the UNDP Accelerator Lab undertook a collective intelligence exercise that included more than 15 participants from multiple sectors, most notably participants from the Tourism sector who were greatly affected by two successive COVID pandemic related sanitary lockdowns. During the exercise, one of the key concerns cited by MSMEs was limited financial literacy in companies with annual turnover of less than two million rupees. This results in businesses facing difficulty in accurate preparation and timely filing of key documentation such as VAT returns for the revenue authority. It also increases operational costs and exacerbates the difficulties they already encounter in accessing affordable capital through the formal financial systems. Limitations in accounting capabilities also affect investment decisions and management of business assets and human capital.

¹ <https://templegroup.mu/smes-the-lifeline-of-the-mauritius-economy/>

1.1 Access to Training in financial literacy

The Mauritius Human Resource Development Council² (HRDC) currently offers owners and employees of micro, small and medium enterprises training in financial literacy. A monthly levy is also remitted to contribute to training costs. According to the HRDC, the frequency and volume of MSMEs accessing this service is limited. Some challenges to access include inadequate time and staffing to invest in day-long or more training sessions.

1.2 Purpose

To assist MSMEs to improve financial resilience and operational capacity through accessible and sustainable financial literacy training. To increase opportunities and access for women and youth led MSMEs to develop resilient business models.

1.3 The Experiment

The hypothesis is that MSME owners can improve financial literacy using adaptive content and digital technology. The Accelerator Lab proposes to test whether a shift in the mode and method of financial literacy training for MSMEs can improve the operational and financial performance of MSMEs.

The experiment seeks to test whether:

- Online training on financial literacy solves the access issues MSMEs face and increase volume and length participation?
- Trainees can improve their capacity and skills to make better financial decisions for their companies?
- The mode and method of training increases the participation of underrepresented groups such as women and youth?
- Digital and localised training can assist in mapping and exploring the options to strengthen women's economic empowerment through digital platforms for learning.

Mode: Leveraging digital technology

Training institutions have provided quality training in Mauritius and Rodrigues for many years. Quality assurance and reimbursement facilities also exist at the institutional level; and the COVID-19 pandemic has resulted in online training has becoming pervasive. Furthermore, access to broadband Internet in stood at 64.9 percent in 2020 in homes across Mauritius (including Rodrigues). Today, people also tend to use their mobile devices and a data plan to access the Internet and it is reasonable to assume that business owners who, during the pandemic and lockdowns, have had to use digital platforms such as Facebook, Zoom and WhatsApp, are comfortable with technology.

The experiment, therefore, aims to test whether removing physical and language constraints in financial literacy training can have a positive impact on the acquisition of knowledge and skills by MSME owners. Similarly, the experiment is also a means to evaluate how financial literacy training can provide young generations with the right toolkit to become entrepreneurs and business owners.

² <https://www.hrdc.mu/index.php/training-grant-system/ntf/ntf-faq>

Method: Increase Access through Language and Adapted Content

The following is proposed for the experiment:

AA: Preparatory Phase:

Selection of the 20 MSMEs by the UNDP Mauritius and Seychelles Accelerator Lab unrestricted by age, gender or geography, provided that the participating MSME meets the criteria of an MSME within the ordinary definition by the Ministry of Industrial Development, SMEs and Cooperatives, with no prior certification in financial literacy.

Procurement of Service Provider:

Drafting and launch a request for proposals from local service providers for customised online training for financial literacy.

Target: accredited public and private training institutions capable of issuing certificates of participation.

Preparation of online video content

The selected training institution will have two months to prepare a comprehensive set of video content covering essential financial literacy topics.

The videos will be short, in Mauritian Creole (Kreol Morisien) to cover themes from this indicative list including but not limited to:

- ✓ Understanding the Business Cycle
- ✓ Financial Management of a Small Company (e.g. VAT Returns, Income Tax Returns)
- ✓ Financing Mechanism for Small Companies
- ✓ Efficiency of Managing Costs
- ✓ Licenses, Permits and Fees
- ✓ Scaling the Small Company

Ownership of all prepared videos will be transferred to UNDP Mauritius and Seychelles on completion of the initial two months video preparation phase.

Baselining financial literacy

- Target: 20 MSMEs with equal distribution across gender and 30% youth³
- Administer online financial literacy test by selected training institution to participating owners of selected MSMEs to evaluate their level of proficiency.
- Self-administered baseline profitability and operational health assessment

BB: Experimentation Phase:

- Selected MSMEs owners access self-paced online short course modules in Mauritian Creole at specific

³ Youth is defined as persons under the age of 35

intervals over a period of two months. This courses aim to teach financial language, assist participants to read and interpret a financial statement and to make informed operational judgements and decisions to maximise the financial success within their business undertakings.

- Possibility for learners to use an online forum provided by the training institution to collaborate and for form study groups.

CC: Post Experiment Phase

- Participating MSMEs retake the self-administered benchmarking test taken in the preparatory phase to determine if the training with adapted content and in the Creole language have improved the level of understanding
- Self-administered baseline profitability and operational health assessment
- All participating entities completing the course receive a certificate of participation
- A feedback loop and trainer engagement with the service provider and Accelerator Lab to critique the mode and method of learning

Expected Outcome:

We expect that the following will happen

- Improved fulfilment of all institutional and governmental requirements e.g., filing of tax returns, payment of dues, etc. with no missed deadlines or unnecessary queries.
- Improved cashflow for the MSMEs.
- Improved financial decisions made, thereby increasing the changes that the business succeeds.

We are also expecting the following to happen

- A reported better appreciation of the importance of financial knowledge when operating a business, thereby opening doors for the participant for further financial education.
- Reported improvement in confidence regarding management of financial resources.
- Better preparedness and capacity to adjust and respond to shifting financial contexts of the business.

2. Scope of Work

2.1 Methodology

This experiment requires several stakeholders to work collaboratively. They are:

- Service provider to develop the audio-visual course material, provide an online learning platform and manage the online tests. Audio-visual course material is a set of videos, which will have to be developed by the service provider in consultation with the relevant Government agencies (e.g. Mauritius Revenue Authority, the Registrar of Companies, etc.) and the UNDP Accelerator Lab to ensure relevance.
- SME Mauritius, the apex Government agency to promote and develop entrepreneurship in Mauritius, to help in identifying participants and provide insights on what impactful topics to cover, inter alia.
- Mauritius Research and Innovation Council, the apex Government agency for all matters related to innovation, to help in identifying participants, inter alia.

- Business Mauritius, the apex association of private sector organizations, to help to identify the most useful financial topics which would benefit MSMEs and increase their chances of success, inter alia.
- Participants from the registered MSMEs of Mauritius selected after a call for participation or from a list supplied either by UNDP or one of the other stakeholders.

3. Timeframe

The Financial Literacy Experiment will span over a period of four months (two to prepare the course content and two to run the online training and evaluations). The experiment starts on Friday 8 July 2022 and ends on Monday 7 November 2022.

4. Deliverables

Deliverables	Due date	% Payment	Approver
Half of the training content transcribed into video form	Friday 5 August 2022	25%	Core Oversight Team (UNDP Accelerator Lab)
Second half of the training content transcribed into video form and ownership transferred to UNDP Mauritius and Seychelles	Friday 2 September 2022	25%	Core Oversight Team (UNDP Accelerator Lab)
Mid-term report on the first month of the online financial literacy experiment containing the results for the baseline financial literacy test	Friday 7 October 2022	25%	Core Oversight Team (UNDP Accelerator Lab)
End-of-experiment report with results for the final financial literacy test compared to the baseline test	Monday 7 November 2022	25%	Core Oversight Team (UNDP Accelerator Lab)

5. Qualifications

The qualified service provider must possess, proven experience and capacity to undertake similar or relevant activities, namely the creation of video content in Mauritian Creole, teaching staff members who are conversant with financial education, linkages with Government agencies involved in the project, etc.

6. Selection Criteria

Criteria	Marks/100
Accredited public or private training institution in the Republic of Mauritius with the capacity to award certificates of participation	40
Demonstrated experience providing financial literacy training	20
Demonstrated experience providing online/video and local language training	20
Demonstrated experience working with MSMEs	20
Total	100

The minimum technical score required to be responsive is 70%.

7. Reporting

The service provider will work under the close supervision of UNDP Mauritius and Seychelles which will also appoint an advisory group during the four months the experiment will run and consisting of the Accelerator Lab, SME Mauritius, Business Mauritius, the Mauritius Research and Innovation Council and two representatives of civil society with experience in finance and education.

8. Location

The assignment shall be undertaken in Mauritius.