

**MOZAMBIQUE**  
**DESIGN AND IMPLEMENTATION OF THE SKILLS FOR EMPLOYMENT (S4E) PROGRAMME**  
**PO 7118**

**VOLUME 3**

**TERMS OF REFERENCE**

# Contents

- 1. Introduction ..... 1
  - 1.1 Introduction..... 1
  - 1.2 Background..... 1
  - 1.3 Programme Recipients ..... 2
  - 1.4 Objective(s)..... 2
  - 1.5 Duration..... 2
  - 1.6 Budget ..... 3
- 2. Overview of Programme Components ..... 4
  - 2.1 Component 1: S4E Employment Fund..... 4
  - 2.2 Component 2: Establish a National Association of Non-State Providers..... 4
  - 2.3 Component 3: Capacity Building for GoM..... 5
  - 2.4 Programme Recipients ..... 6
  - 2.5 Scope of Work ..... 6
- 3. Deliverables and Key Requirements ..... 7
  - 3.1 Deliverables..... 7
  - 3.2 Key Requirements..... 8
- 4. Contract Co-ordination ..... 14
  - 4.1 Duty of Care..... 14
  - 4.2 Reporting ..... 15
  - 4.3 DFID Co-ordination..... 15

# 1. INTRODUCTION

## 1.1 Introduction

The Department for International Development (DFID's) mission is to help eradicate poverty in the world's poorest countries and this is underpinned by our set of values:

- Ambition and determination to eliminate poverty
- Ability to work effectively with others
- Desire to listen, learn and be creative
- Diversity and the need to balance work and private life
- Professionalism and knowledge

DFID is seeking to work with Service Providers (SP) who embrace the DFID supplier protocol and in addition demonstrate Corporate Social Responsibility (CSR) by taking account of economic, social and environmental factors in an ethical and responsible manner, complying with International Labour Organisation (ILO) standards on labour, social and human rights matters.

Value for Money (VfM) is important for all DFID programmes and as such, in all our activities, we will seek to maximise the impact of DFID's spend on programmes and encourage innovative ideas from our partners and suppliers to help us to deliver Value for Money.

DFID Mozambique wishes to engage a Service Provider (SP) to design and implement the Skills for Employment (S4E) Programme in its entirety. This includes the three key S4E components set out in Section 2 as well as the Monitoring and Evaluation (M&E) and communications strategies for the programme.

## 1.2 Background

Mozambique is one of the most dynamic economies in Africa, but it remains one of the world's least developed countries (LDCs). Growth has not translated into structural reform and poverty reduction has stagnated. About 300-350,000 young people join the labour market every year, but they are forced into marginal jobs in the informal economy. Women have not benefitted equally from growth. Compared with men, they have heavier workloads, inferior employment and incomes, little access to land, lower agricultural productivity as well as lower levels of health and education.

The World Economic Forum (WEF) 2014-15 Global Competitiveness Report ranks Mozambique as 133 out of 144 countries. It identifies the constraints for doing business and an inadequately educated workforce is number 5 in the list. Mozambique's basic education levels are amongst the lowest in the world. Public technical and vocational education and training (TVET) provision is not demand-driven and suffers from low capacity and serious quality issues. Mozambique's progressive new TVET law offers an opportunity to support systemic change. Non-state training has expanded considerably to fill the gap in public provision, but it is disjointed with no mechanisms for collaboration and information-sharing. It also suffers from quality issues and from a lack of sustainable financing.

DFID proposes responding to Mozambique's labour market challenges with twin support to improve i) the supply of qualified labour; and ii) labour demand and job creation. This support is part of a joined-up, wider set of initiatives to strengthen economic development (ED) in Mozambique and to systematically address ED constraints. Taking advantage of the UK's market

systems development (M4P) expertise, S4E will support catalytic interventions and facilitate systemic change in public and private skills training provision and employment support services.

A sister programme, known as the Let's Work Programme (LWP), will be financed by DFID London and managed by the World Bank Group (WBG). It will focus on job creation (labour demand) in 6 to 8 pilot countries including Mozambique. LWP will begin in early 2015 with diagnostic work that will identify the strategic growth sectors requiring additional skills support. S4E will look to invest in the sectors prioritised by LWP.

S4E will also work closely with DFID Mozambique's recently-approved Female Economic Empowerment programme, Ligada, to optimise impact on women and girls. Specifically, S4E will address the constraints to women undertaking and completing skills training while Ligada focuses on the barriers to recruitment and retention of women in formal work.

### **1.3 Programme Recipients**

The recipients of the S4E programme services include;

Mozambique's labour market participants especially women and girls and marginalised youth looking for formal or self-employment

### **1.4 Objective**

The key objective of the programme is to increase the income among the beneficiaries of the Programme, with a particular focus on women and girls. This will be targeted as the S4E programme creates improved access to quality, affordable and market-relevant non-state skills training and employment services.

The outcome of these services is that beneficiaries are able to achieve formal or self-employment thus increasing income. Non-state refers to private sector for profit and NGO not-for-profit provision.

### **1.5 Duration**

The contract will commence mid June 2015 and is due to conclude in December 2020.

The 66 month contract period is made up of two key phases;

- i) A 6 month Inception phase; and
- ii) A 5 year Implementation phase.

For information, prior to the commencement of this contract DFID plans to undertake a series of Quick Wins related to the initiation of the S4E Programme that will then be shared with the SP to inform and progress the Inception Phase. Similarly, DFID will appoint an independent third party to evaluate the impact of the S4E programme both during the implementation phase and following completion to measure and record the overall impact against objectives.

Upon successful completion of the inception phase, commencement of the implementation phase will be agreed between DFID and the SP.

Please note, if agreed by both parties this programme may be extended by a period of up to 24 months. This extension period is subject to DFID approval and additional funds being released over and above the current programme budget.

Should any extensions be agreed following the successful completion of the implementation phase, revised volumes and inputs will be agreed between the SP and DFID Mozambique for activity beyond this point

S4E will use an adaptive, flexible approach which means that the programme and its implementation will evolve over time by responding to changing priorities, lessons learned and changes in the Mozambican context.

## **1.6 Budget**

In Scope:

The anticipated contract value for this requirement is £15.8 million. From this total, the SP is expected to deliver a minimum fund element of £9.36m

DFID is the lead donor that will hold the contract with the SP. Several other donors have expressed an interest in co-funding though this has not yet been confirmed. Please note this could lead to a significant increase in the overall available funds however DFID will have overall control of programme delivery.

The overall contract value can be approximately apportioned across the identified programme components as follows;

- Component 1: S4E Employment Fund - 68%
- Component 2 : Establish a National Association of Non-State Providers – 10%
- Component 3 : Capacity Building for Government of Mozambique (GoM)– 10%
- M&E and Communications – 5%

The successful SP is required to design and deliver a service which ultimately drives as high a fund amount as possible within the overall contract value.

## 2. OVERVIEW OF PROGRAMME COMPONENTS

The S4E programme is made up of three key components;

### 2.1 Component 1: S4E Employment Fund.

This component focuses on reducing skills failures in Mozambique by linking specific areas of labour force supply with demand. It will catalyse and broker linkages between employers, especially medium-sized enterprises, and non-state training providers to get young people into work.

The Programme is intended to benefit young people with the potential to undertake technical training to become the future managers of Mozambique's growth sectors. A second, and perhaps larger group, will be young people, who, by completing vocational, second chance or entrepreneurship training, can move into formal employment or self-employment. All beneficiaries will receive training combined with employment or 'wrap around' services<sup>1</sup> to optimise their employment prospects. Attention will be given to women and girls and marginalised youth that tend to have limited access to skills training and to viable employment opportunities.

S4E-funded training will be complementary to the public TVET system. It will contribute to Mozambique's economic diversification and work in collaboration with other relevant DFID initiatives such as Ligada (Female Economic Empowerment), the Beira Agricultural Growth Corridor (BAGC) Programme and the planned Water and Sanitation (WaSH) Programme. The SP will either provide or oversee as appropriate technical assistance (TA), including partnership brokering, to those Fund applicants requiring it. Fund applicants, all of whom will be from the non-state sector, will be expected to co-finance their proposals such that S4E is able to leverage this additional resource.

### 2.2 Component 2: Establish a National Association of Non-State Providers.

The Association is intended to facilitate group interaction between government and the private sector. An important role of the Association will be to improve the quality of training, ensure members adopt common accreditation standards; facilitate experience and information-sharing, provide support services to members like improving the commercialisation of products and services, voice the interests of non-state providers vis-à-vis government, better respond to labour market demand, and collect data on non-state TVET.

The Association will also make better use of communications channels to disseminate information about non-state skills provision; improve financing for training provision including through the commercialisation of products and services; and fund small research initiatives via a Learning Fund that benefits the group as a whole. While the S4E Programme will fund the start-up and initial running costs of the Association, it is expected that to be sustainable members would pay for the services they receive.

---

<sup>1</sup> Employment or wrap around services come in four categories: access to information and employment networks; workplace attachments, internships, and apprenticeships; HR activities including guidance counselling, job search, help with CVs and job interviews, and recruitment; and business support that covers preparation of business plans, coaching/mentoring, information on access to finance and business development services

## 2.3 Component 3: Capacity Building for GoM

This is intended to;

- (i) improve working with, and provide direction to, the non-state TVET as complementary to public TVET;
- (ii) capitalise on opportunities like PPPs stemming from the new TVET law;
- (iii) learn from new TVET financing models and approaches including the commercialisation of products and services;
- (iv) capitalise on innovation and new technology in the skills training sector; and
- (v) help establish the National Employment Observatory.

This component is likely to be a draw-down facility where GoM requests technical expertise for specific tasks.

Complementary to the SP's responsibilities, DFID will commission and oversee a series of research studies or Quick Wins prior to the inception phase. The results of this research will be available to help the SP prepare the inception phase documentation and to implement the S4E Programme. The Quick Wins are likely to focus on: i) the Mozambican labour market and the proposed National Employment Observatory; ii) work and skills and the constraints faced by women and marginalised youth; and iii) implementation of the new TVET law. . An independent impact evaluation is planned given the dearth of technical data on youth employment programmes in Mozambique and in LDCs more broadly. DFID will commission and manage the S4E evaluation - the details of which will be agreed during the first year of Programme. The SP will design and implement the S4E M&E and communications strategies (see below).

## 2.4 Programme Recipients

S4E Programme recipients are as set out in Section 1.3 above

## 2.5 Scope of Work

The SP will be responsible for, in line with the programme components above;

- Component 1 – Effective disbursement of grants to successful S4E Employment Fund applicants who will then become implementing partners (IPs).
- Component 2 – Management of the new, national non-state skills training Association which includes a Learning Fund; and
- Component 3 – Oversee provision of resources on a draw down basis for TA to GoM ensuring that the programme resources support strategic objectives in a cost effective and sustainable way.
- Delivering Monitoring and Evaluation (M&E – in respect of the reporting requirements of this contract) and Communications strategies associated with the roll-out and monitoring of this programme

This scope of work also includes a broader strategic management, partner coordination, advisory and capacity development role. The SP will be responsible for financial management of all grants to IPs.

The SP should aim to work with the full spectrum of non-state training providers across Mozambique utilising the communications strategy to reach out to potential Association members and S4E Employment Fund applicants. An important aspect of this Programme will be the ability of the SP to broker partnerships between training providers and private sector (PS) companies to ensure financially-sustainable, demand-driven solutions.

**Section 3** below outlines the deliverables and requirements deemed necessary to effectively deliver this Programme.



### 3. DELIVERABLES AND KEY REQUIREMENTS

#### 3.1 Deliverables

The SP is expected to put together a team/consortium with appropriate technical expertise including in programme management to successfully achieve the programme objectives.

The SP will set up an appropriate physical hub in Mozambique from which SP and DFID staff will operate the S4E programme components outlined;

##### Inception Phase

The SP will lead on designing the inception phase deliverables. These include:

- The S4E Programme Strategy integrating the results of the Quick Wins;
- The S4E Employment Fund Manual;
- The first year work plan and budget;
- Other Programme documents: M&E/Results Framework/Strategy including Value for Money (VfM) Metrics, HR Manual, Financial Management Manual and the Communications Strategy.

All S4E Programme documents will outline the ways in which DFID will address inclusion issues.

During the implementation phase, the SP will use the documentation listed above to run the three S4E components and the M&E and communications strategies. All procurement activity required to support delivery of these components should be robustly and fairly conducted ensuring best value for money is achieved.

For **Component 1**, the SP will need to deliver sound management of the S4E Employment Fund successfully brokering about 5 to 6 investments per year for the first 3 years. Successful disbursement of an appropriate number of investments as agreed between Dfid and the SP is defined as a contract output.

S4E will receive proposals through a combination of direct invitation and open calls. The number of calls for proposals will be limited; 1 call first year (i.e. immediately after the inception phase), 1 or 2 calls second year, and 1 call third year with 2-4 grants for each call. Combined with the direct invitation proposals, S4E is aiming to support at least a total of 15-18 grants over the life of the Programme. The implementation period for a grant will normally be 3 years. As currently envisaged, no grants will be awarded beyond year 3 of the implementation phase.

For **Component 2**, the SP will establish the National Association, help with branding and membership recruitment and facilitate its activities including management of the Learning Fund (LF). The LF would be a draw down facility for discreet pieces of work such as research and feasibility studies which contribute to the needs of the Association and its members. The LF will be managed by the SP who might also have to help the Association prepare the Terms of Reference (ToRs) and find appropriate experts/consultants to carry out the work. The number of new (targets to be agreed between DFID and the SP) members joining the newly established National Association is defined as a contract output.

For **Component 3**, the SP will work with the Ministries of Education and Labour (MinEd and MinTrab) and the new National TVET Authority (ANEP) to identify ways to use the designated TA to best support implementation of the new TVET law - especially those elements related to

the PS. This will be a draw down facility managed by the SP who might also have to help GoM prepare ToRs and find appropriate experts/consultants to carry out assignments.

For the **Monitoring & Evaluation Strategy**, the SP will review all programme components, designing for each appropriate monitoring mechanisms and reporting requirements for all key activities ie against outputs and the Logframe. Following internal agreement, the SP will collate and present progress on a regularly agreed basis.

For the **Communications Strategy** the SP is required to develop a suitable communications strategy to outline and justify the use of all relevant communication channels (ie internet, events, meetings etc) relevant to successfully raising the profile of the programme and its participants.

## **3.2 Key Requirements**

### **3.2.2 Management and coordination**

- The SP must be able to work legally in Mozambique and will be responsible for obtaining work permits for any international staff and consultants they may wish to employ.
- The SP, including leadership and staff, should demonstrate experience of working in Mozambique, or in similar socio-economic environments.
- Management of the Programme will need to satisfy DFID's accounting and procurement requirements and functions on a timely basis with a strong focus on VfM.
- The SP will be required to provide a secretariat function for the Steering Committee calling and co-ordinating regular meetings and ensuring concise records of key decisions are kept.
- The SP will need to provide necessary support to DFID Annual Reviews (ARs), the on-going independent evaluation, the independent Mid-Term Review (MTR) and a final Programme Completion Review (PCR) through logistical, accommodation and operational advice.
- The SP will need to ensure high quality systems to protect information, and protect facilities and ensure personal security.
- The SP will also need to maintain a duty of care for its employees based on regular risk assessments with clear risk mitigation measures in place and demonstrate this to DFID. In turn, the SP should ensure IP's have effectively considered risk and duty of care for their employees, as the SP is ultimately responsible for the duty of care of IP employees.
- The SP is also required to successfully facilitate coordination and cohesion with DFID's and other donors' activities in similar areas.

### **3.2.3 Payment Profile**

- It is expected that payments for all implementing costs and expenses for the inception phase will be on a milestone basis that will be defined by the supplier during their bid and thereafter jointly agreed with DFID.
- Payments under this contract will be made on satisfactory performance of the services, at the payment points defined in the schedule of payment. At each payment point set criteria will be defined as part of the schedule of payments. Payment will be made if the criteria are met to the satisfaction of DFID.

- The appointed SP will be expected to initially disburse the funds with DFID reimbursing the outlaid funds following this.
- The contract for the implementation phase will only be confirmed following the successful completion by the SP of the inception phase. There will be an independent Mid-Term Review where the implementation phase contract may be terminated if SP delivery is deemed unsatisfactory.

### **3.2.4 Skills, knowledge and expertise**

- The SP must have the organisational flexibility to retain a core staff, and recruit appropriate specialist capacity as it is required. This is vital given the diversity of partners and sub-sectors the three components of the Programme will operate in.
- Staff within the SP should have a good grasp of technical skills training, employment services, non-state training provision, sustainable education financing, gender issues, TA for government, brokering partnerships and managing challenge funds.
- Staff within the SP should have good strategic programme design and implementation skills.
- Leadership and staff within the SP will need to demonstrate appropriate skills, authority and understanding of the context and political economy of Mozambique.
- Strong M&E and communications staff capability are required
- Fluency in spoken and written English and Portuguese.
- The SP should also demonstrate a strong capability in commissioning and assessing good quality training proposals, research and TA.

### **3.2.4 Contract Management**

The awarded contract will have suitable provision for variation in order to successfully adapt to changes that occur during the life of the Programme including upscaling or downsizing. DFID shall, as a condition of proceeding from one phase to the next, have the right to request changes to the Contract, including the Services, the Terms of Reference and the Contract Price to reflect lessons learned, or changes in circumstances, policies or objectives relating to or affecting the Programme.

The key review points as currently envisaged include;

- Following the 6mth Inception Period;
- Six months following commencement of the Implementation Period; and
- Annually thereafter

These review points will consider performance and deliverables against agreed milestones and results. Logframe amendments will be jointly agreed as part of these AR's

The supplier will also be expected to report quarterly on contract Key Performance Indicators (KPI). These contract key performance indicators will be jointly agreed with the supplier during the inception phase. Concerns on annual reviews and or contract KPI performance could lead to the implementation of Performance Improvement Plans and or contract termination if Performance Improvement Plans are not successful

### **3.2.6 Financial management and Institutional Capacity**

- The SP will need to ensure that potential short-listed IPs and consultants are thoroughly reviewed and capacity assessed - these assessments should include a thorough financial assessment (robust and reliable financial internal control systems, annual accounts and legal status) and governance structures (institutional arrangements, strategic planning, human resource management etc).

- The SP must ensure due diligence requirements are met in vetting of potential IPs and consultants.
- The SP will be required to advise selected IPs on financial accounting, reporting, procurement, and other compliance practices associated with the Programme.
- Review work plans and financial reporting and accounting systems of IP's to ensure activities are implemented on a timely and cost-effective basis in compliance with financial accountability requirements.
- Provide advance funding to IPs on a quarterly basis and ensure that all funds are accounted for and that financial reports are submitted in agreed format to DFID Mozambique and the Steering Committee (in special circumstances and with prior DFID approval, the SP may provide funding to IPs less than quarterly - for example, for very short term IP projects or when the administration of quarterly payment compromises IP speed of delivery).

If, during the inception phase, the option to include payment by results for IPs is agreed, the SP will need to institute the additional measures required to implement this type of payment.

### **3.2.7 Award of funds to Implementing Partners**

S4E Employment Fund partners should be selected to receive funding against standardised criteria to be provided by DFID upon appointment. The criteria will be detailed in the Programme Manual prepared during the inception phase. It will be the job of the SP to define (in consultation with DFID and the Steering Committee) the assessment criteria for different grant types. During the inception phase, it may be decided to have a separate Investment Committee comprising PS and non-state training experts to advise on S4E Employment Fund proposals. If so, then much of the Steering Committee responsibilities described below would be shared with or passed to the members of the Investment Committee.

The SP will conduct an organisational assessment of each IP. The organisational assessment will also determine the details of the grant that the IP eligible to receive. The design of selection processes should consider and include but not be limited to:

- Identification of criteria against which all proposals will be assessed for different grant types;
- Provide DFID Mozambique and the Steering Committee with a report detailing funding recommendations and brief analysis of proposals received ahead of the Steering Committee meetings.
- Convening a Steering Committee forum to review all received proposals from calls and the SP's technical appraisal, due diligence checks and final recommendations.
- Designing the voting/decision-making procedure to be agreed by DFID Mozambique for the Steering Committee to approve grant funds to IPs where DFID Mozambique retains a final veto on any proposal if all other consensus efforts fail;
- Acknowledge receipt, log and file received proposals and accompanying documents, checking that proposals adhere to the prescribed length and format.
- Maintain database of all enquiries, proposals and subsequent correspondence.
- Undertake a full and comprehensive technical appraisal of all serious proposals and manage a quality control process to ensure consistency of recommendations - this includes a comprehensive review of the budgets and the proposal's ability to articulate how actions and inputs lead to the desired objectives/ outcomes.
- Recommend TA that is considered necessary to assist IPs to submit fully compliant proposals.
- Provide feedback to all rejected applicants within six weeks of decision - the SP must be able to produce rejection letters which are worded sensitively, in plain English or

Portuguese and can be used constructively by the applicant to improve future applications.

- Prepare and provide the DFID Private Sector Development Adviser and Programme Officer with pre-funding letters to successful organisations, listing issues to be resolved before funding can be finally agreed.

The selection criteria determined for the Programme should be appropriate for each type of skills training proposal likely to be submitted (high end technical, low end vocation, second chance opportunities, entrepreneurship training). Where the Steering Committee make a determination – after conducting an organisational assessment – that an organisation is aligned with the objectives of the Programme, but does not meet all of the required criteria, a decision to fund may be made based on condition that the organisation agree to address those areas in which it is deficient. Such decisions to fund organisations despite identified weaknesses may be particularly relevant where it is necessary to expand funding to regions or groups that have typically been excluded from funding through donor programmes or in areas with a limited number of active IPs.

### **3.2.8 Reporting, Monitoring and Evaluation**

There are few examples of highly successful skills training programmes leading to increased incomes for poor people in LDCs. However, when programmes combine skills training with wrap around services, the results are stronger though data on these is still in short supply. S4E will learn from previous initiatives and support investments that are more likely to be sustainable beyond the life of the Programme and/or have a catalytic effect on national training systems or on the non-state skills training market. The SP must have a strong M&E skill set and be able to regularly demonstrate evidence-based decision-making.

Given the overall lack of information on skills programmes, strong baselines and robust, regular impact monitoring, especially on women and girls, is essential. Each investment will have its own agreed logframe to report against and these will feed into the S4E umbrella logframe. IPs will conduct the output level M&E. The SP will be responsible for aggregating this information into quarterly and annual Programme reports. The SP will need to verify that S4E Employment Fund investments and their spending are fully compliant with Programme standards. For the avoidance of doubt all M&E activities outlined above are outwith the scope of the Independent Impact Evaluation.

The Programme will require equally strong communications to influence policy makers and providers. This will improve opportunities for strategic partnerships across sectors, across geographies, and across DFID programme portfolios.

An independent, standalone Impact Evaluation will be commissioned by DFID to assess key areas which the programme is seeking to impact. For the avoidance of doubt, this is a separate appointment outwith the scope of this ToR.

The Impact Evaluation may run for up to seven (7) years, however the SP is only expected to contribute and provide relevant information as required up until the confirmed end date of this contract. Prior to contract close however, the SP will ensure all relevant documentation has been appropriately handed over to enable the Impact Evaluation to conclude all testing.

The SP will be expected to provide excellent contract management for the S4E Employment Fund investments, the Learning Fund and for the GoM capacity building TA as evidenced by the use of contract management key performance indicators (KPIs). The final KPIs can be

defined jointly between DFID and the SP during the inception phase for use during the implementation phase.

The SP will be expected to report quarterly on KPI performance to demonstrate their excellent contract management. Concerns on KPI performance could lead to the implementation of Performance Improvement Plans or even contract termination if improvement plans are unsuccessful.

### **3.2.9 M&E deliverables (in addition to designing the M&E strategy)**

The M&E deliverables should include but not be limited to;

- The SP should, where possible, look to harmonise and coordinate reporting requirements for IPs, and, if relevant, with other supporting donors in order to lessen the administrative burden on fund recipients. This will include maintenance of a harmonised M&E framework agreeing on indicators (in line with best practice) and with a view to exploring innovative new ways of measuring results that collects data against indicators sets and other information required by all contributing donors.
- The SP should appraise and file partners' reports including financial statements, and manage a quality control process to ensure IP reporting consistency, timeliness and high standard (including given technical feedback on the IP reports). Upon receipt of the IP reports the SP will release the next tranche of funding to the IP.
- Compile from these IP financial and narrative reports six monthly technical, financial and narrative reports for DFID Mozambique and the Steering Committee detailing any key issues raised by each organisation, points of interest/concern and areas of innovation (format to be agreed with DFID Mozambique and the Steering Committee).
- Respond to any additional and ad hoc reporting request that DFID Mozambique and the Steering Committee deems necessary.
- DFID Mozambique will retain responsibility for routine DFID internal project cycle management and will arrange ARs and PCRs in line with DFID reporting requirements. The SP will provide logistical support to these processes including full support to any consultant that might be employed directly by DFID to undertake such reviews.
- As part of this contract the successful bidder will be expected to make members of their team available to take part in monitoring visits and spot checks on IPs. Agreed specific terms of reference will be produced for each proposed monitoring visit.

### **3.2.10 Performance Indicators**

The proposed impact indicators are:

- (i) Employment (including self-employment) rates of S4E Employment Fund beneficiaries – disaggregated by gender and poverty quintile ; and
- (ii) Rate of return to training (calculated as the difference in total income of S4E Employment Fund beneficiaries before entering training and (one year) after completion of training divided by total unit cost of training).

The potential outcome indicators and delivered benefits of the programme may, but not exclusively include:

- (i) Accumulated number of graduates from S4E interventions gaining employment – disaggregated by gender, poverty quintile, sector, type of company, etc.;
- (ii) Number of systemic changes in the Mozambican skills training market facilitated by the S4E Programme;

- (iii) Expanded access to quality, affordable, and market-relevant non-state training and wrap around services linked to formal or self-employment opportunities;
- (iv) Strengthened capacity of training providers;
- (v) Strengthened collaboration on skills training and wrap around services between GoM and the private sector; and
- (vi) Strengthened Mozambican skills training market.

### **3.2.11 Fund Manager and Governance Structure**

Subject to additional donor funding; Crown Agents Bank (CAB) has an agreement with DFID to act as a fund manager. CAB will be responsible for holding all donor funds and disbursing to the SP as resources are expended. CAB will also be responsible for reporting on the disbursement of donor funds to the programme to DFID. The SP will need to design the structure of the S4E Employment Fund and then manage it responsibly selecting strategic interventions based on an agreed set of criteria and principles.

While the governance structure will be decided during the inception phase, it is expected that there will be a Steering Committee comprising contributing donors, TVET experts and the SP. There may also be a Fund Advisory Committee if required and the contributing donors agree to its establishment. The SP will ultimately be accountable to DFID for the delivery of agreed objectives. The SP will report to DFID and the Steering Committee. Other co-funding donors will stipulate any additional reporting requirements. Ideally, the Steering Committee, once formed, will determine an aligned reporting structure that will satisfy all donor requirements in order to reduce the administrative burden on the SP.

The Steering Committee will be responsible for agreeing strategic direction and approving funding decisions. DFID withholds the right to use a final veto on strategic programme decision including priorities and funding. This veto will be used only in instances when all other means to reach consensus have been exhausted.

### **3.2.12 Implementation Requirements**

The inception phase deliverables are described above. The inception phase should also finalise the payment milestones as proposed in the SP's tender submission.

Continuation to implementation phase will be subject to DFID approval of the inception phase deliverables. There will be a break point in the contract after the inception phase and the Mid-Term Review. There will also be annual reviews (ARs) on performance and deliverables against agreed milestones and results. Logframe amendments will be jointly agreed as part of ARs.

Please see the attached Commercial KPI and Supplier Performance Scorecard which will be tailored to, and utilised with the S4E programme to assist and support monitoring.

## 4. CONTRACT CO-ORDINATION

### 4.1 Duty of Care

The appointed SP is fully responsible for the Duty of Care to themselves and has accepted that:

- They fully accept responsibility for Security and Duty of Care for their employees;
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan;
- They have capability to manage their Duty of Care responsibilities throughout the life of the contract.

The current DoC risk rating for this programme is Low as per the table below. The situation is monitored on an ongoing basis and should circumstances change the SP will be required to review their DoC provisions to ensure they are appropriate.

DUTY OF CARE - RISK ASSESSMENT MATRIX - Mozambique		
Theme	Risk Rating	Comments
FCO travel advice	2 (low)	<a href="http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/mozambique#travelSummary">http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/mozambique#travelSummary</a>
Host nation travel advice		
Transportation	3 (Medium)	Road and transport poor with frequent road traffic accidents, poor vehicle maintenance and poor driving.  Public transport not recommended, always very crowded and taxis are not much recommended during night.
Security	2 (low)	Faulty security within the country, opening room for robbery and burglary, especially in areas with abundance of expatriates and foreign travellers.
Civil unrest	2 (low)	May happen from time to time with violent acts both by the Police & demonstrators and include people taking the opportunity to vandalise and rob.
Violence/crime	4 (high)	Police patrolling not enough. Cases may go unreported.
Espionage	2 (low)	<a href="http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/mozambique#travelSummary">http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/mozambique#travelSummary</a>
Terrorism –	2 (Low)	<a href="http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/mozambique#travelSummary">http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/sub-saharan-africa/mozambique#travelSummary</a>
War	2 (low)	The government and Renamo, whose forces fought for almost two years, have recently signed a ceasefire. The situation is still tense, though, especially in the run-up to the 15 October general elections and the risk of post-elections violence..
Hurricane	1 (very low)	The country is exposed to heavy cyclones, though rarely.
Earthquake	1 (very low)	Medium along the rift valley and low in the



		surrounding areas. Very low in the rest of the country.
Flood	2 (Low)	But it is an experience in some of the Provinces or low areas.
Medical services	4 (High)	3 (Medium) in major cities (Maputo/Matola/Beira/Nampula) and 4 (High) in others cities, outside villages and provinces (Inhambane/Gaza/Manica/Tete/Lichinga e Pemba).
Nature of project/intervention		

## 4.2 Reporting

The SP should provide, for the purpose of verifying delivery progress, the Steering Committee with quarterly and end of year annual narrative and financial report based on pre-agreed formats between DFID and the Steering Committee. The SP should also ensure that an agreed (between the SP, DFID and the Steering Committee) independent audit firm is contracted to undertake annual financial audits of the SP Programme accounts. This aspect should be factored into the SP's costings for implementation of the Programme.

Upon DFID Mozambique's request (not less than twice a year) convene a meeting of the Steering Committee at which the SP will lead a presentation on the overall Programme progress and financials to date from the most recent SP financial and narrative reports.

## 4.3 DFID Co-ordination

The SP will report to the Programme Co-ordinator in DFID Mozambique. The Programme Co-ordinator will work with the Senior Responsible Officer (SRO) for the Programme to review and manage performance. The SRO will also sit on the Steering Committee.

DFID Mozambique  
December 2014