

ADDENDUM A TO
Terms of Reference
Sierra Leone Opportunities for Business Action Project (SOBA)
Phase II – 1st February 2016 to 31st January 2018

1. Introduction

- 1.1. Having played a leading role in the Ebola response, the UK Department for International Development (DFID) is developing an ambitious portfolio of programmes to support Sierra Leone through the President's 24 month recovery agenda. A range of interventions to increase access to basic services, strengthen healthcare, support good governance and increase economic growth are in development.
- 1.2. The second phase of the Sierra Leone Opportunities for Business Action Project (SOBA) will deliver a key component of DFID's agenda to increase economic growth through development of the private sector. These Terms of Reference (ToRs) set out the objectives and results to be delivered under SOBA Phase II (SOBA II). SOBA II will aim to build on the success of SOBA I by scaling up successful initiatives in existing sectors and expanding the scope of the project to include new sectors.
- 1.3. This programme was originally contracted as an initial two year pilot phase running from 1st October 2013 to 30 September 2015 followed by an optional phase of up to four years to scale-up results should the pilot phase be successful. The pilot phase, valued at £3.85m, has shown good results and the project scored well in the 2015 Annual Review. DFID would therefore like to proceed with the next phase of the project. This scale -up phase (SOBA II) will be 24months in duration, running from 1st February 2016 to 31st January 2018 to align it with the timeline of the Government of Sierra Leone's 24 month post Ebola recovery plan and DFID's funding envelope.
- 1.4. The Programme Implementer (PI) will be responsible for the management of the overall programme and of individual components in liaison with programme partners. Markets in Sierra Leone are turbulent and vulnerable to shocks. This vulnerability was highlighted in 2014-15 with both the Ebola crisis and closure of major mining operations due to a collapse in commodity prices. The programme must be responsive to such changes and shocks, guiding them where possible to ensure the benefits of economic growth accrue to poor people across the country.
- 1.5. These ToRs set out the objectives, recipients, and scope of the programme, as well as the requirements the PI must meet and the outputs they must deliver. The ToRs should be interpreted within the context of DFID's overall policies and approaches, including in particular DFID's policies on gender, fraud and anti-corruption, and the Making Markets Work for the Poor (M4P) approach to inclusive development.

2. Objectives

2.1. The expected impact is **inclusive green growth** with wide participation in the benefits of economic growth, particularly in environmentally sustainable activities, **leading to prosperity and improvements against the human development index.**

2.2. The expected outcome is that the performance and position of poor people in agricultural markets and manufacturing is improved, specifically:

Outcomes	2014/15	January 2018 (indicative)
Beneficiaries in target markets whose annual income increases by more than 10%	29,025	106,425
Income generating opportunities created (job equivalent)	4,829	49,219
Agricultural households who benefit from improvements in market systems including access, price and reliability	850	3,100
Manufacturing enterprises who benefit from improvements in market systems including access, price and reliability	100	440
Households who adopt improved environmental practices in agriculture	200	3,000

2.3. The objective of this requirement is to scale up the results achieved in SOBA I which led to improvements in market systems which enable poor people to participate more effectively in the markets and to increase their incomes and create jobs. This will involve scaling up in sectors where the project has already achieved success and expanding the project methodology into new sectors. SOBA II should be closely coordinated with the activities of GoSL, development partners, NGOs and the private sector to build on their programmes and to enhance their impact. In particular, SOBA II should seek to contribute towards the priorities articulated in the GoSL's post Ebola recovery plan.

Target beneficiaries

2.4. SOBA II will target beneficiaries in the sectors described above with an emphasis on rural households, primarily those engaged in subsistence food production; and entrepreneurs engaged in or wishing to engage in light industrial manufacture and sustainable energy, including related maintenance and services.

2.5. SOBA Phase II will seek and support opportunities which are advantageous to women and girls and youth. In particular, it will address systemic market constraints which limit women's participation and the benefits they can gain from economic activities.

3. Use of Funds

3.1. The precise use of the Funds/Expenditure is likely to fall into the following indicative categories:

3.1.1. Institutional support to the Ministry of Trade and Industry and related agencies for capacity building, training and operations;

3.1.2. Market diagnostics, research and surveys, including establishing a baseline for impact evaluation; and

3.1.3. Grants and direct support to SMEs through challenge funds and similar competitive mechanisms, and technical assistance, training and advice to businesses, including services provided by NGOs and the private sector.

4. Scope of services

4.1. The PI will provide timely, relevant and effective technical assistance to undertake the activities during phase II. DFID will assess project and PI performance towards the end of Phase II, and may decide to proceed with a further two year phase of the project should SOBA II be successful. DFID may decide to hold a procurement competition for the PI for any further or subsequent phase.

4.2. During SOBA II PI will deliver the following deliverables:

4.3. Deliverable 1: A strategic approach and work plan for the two year scale up period (Phase II).

4.3.1. The PI will analyse the interventions delivered in phase I and use the lessons to develop a strategy and workplan to significantly scale up results and expand into new sectors and areas. This should include discontinuing ineffective approaches, scaling up effective approaches and trialling new approaches.

4.3.2. A detailed work plan setting out how SOBA II will be delivered including interaction with programme partners.

4.4. Deliverable 2: Scale up of activities in existing and new sectors

4.4.1. The PI will scale up approaches which were proven to be successful in SOBA I and expand project activities into new sectors and introduce new cross-cutting issues. A summary of the market systems targeted is below:

Market Systems targeted		
Agriculture	<ul style="list-style-type: none"> • Agri Inputs • Traders • Outgrowers 	<p>Scale up from SOBA1</p> <p>Scale up from SOBA1</p> <p>Scale up from SOBA1</p>
Light Manufacturing	<ul style="list-style-type: none"> • Equipment • Construction 	<p>Scale up from SOBA1</p>

	<ul style="list-style-type: none"> • Goods 	<p>Introduction in SOBA2</p> <p>Introduction in SOBA2</p>
Sustainable Energy	<ul style="list-style-type: none"> • Cooking Energy • Affordable Household Solar Energy 	<p>Scale up from SOBA1</p> <p>Introduction in SOBA2</p>
Mining		<p>Introduction in SOBA2</p>
Cross-Cutting Issues targeted		
Financial Services	<ul style="list-style-type: none"> • Access to Finance • Transaction & Payment 	
Market Access	<ul style="list-style-type: none"> • Transport & Logistics • Storage & Packaging 	
Skills	<ul style="list-style-type: none"> • Private Sector Curricular Alignment • Certification Integration in the PS 	
Business Enabling Environment		
Market Systems targeted		
Agriculture	<ul style="list-style-type: none"> • Agri Inputs • Traders • Outgrowers 	<p>Scale up from SOBA1</p> <p>Scale up from SOBA1</p> <p>Scale up from SOBA1</p>

Light Manufacturing	<ul style="list-style-type: none"> • Equipment • Construction • Goods 	<p>Scale up from SOBA1</p> <p>Introduction in SOBA2</p> <p>Introduction in SOBA2</p>
Sustainable Energy	<ul style="list-style-type: none"> • Cooking Energy • Affordable Household Solar Energy 	<p>Scale up from SOBA1</p> <p>Introduction in SOBA2</p>
Mining		Introduction in SOBA2
Cross-Cutting Issues targeted		
Financial Services	<ul style="list-style-type: none"> • Access to Finance • Transaction & Payment 	
Market Access	<ul style="list-style-type: none"> • Transport & Logistics • Storage & Packaging 	
Skills	<ul style="list-style-type: none"> • Private Sector Curricular Alignment • Certification Integration in the PS 	
Business Enabling Environment		

4.5. Deliverable 3: Improving the monitoring and evaluation system.

4.6. The monitoring and evaluation system established in SOBA I will be further improved. SOBA II will need to differentiate between outcome and outputs that are noticeable within the first year and those that will only reach the desired impact and market system change over time. The PI will deliver a strategy and workplan detailing plans for rolling out an improved monitoring and evaluation systems within three months of signing this contract.

4.7. Deliverable 4: sustainability of project activities

4.8. The PI shall develop a feasible strategy for the sustainable handover of project activities beyond the project end date, which will be determined by July 2017. The strategy should be developed in consultation with the GoSL and other stakeholders including DFID.

5. Responsibilities

5.1. The Programme Implementer (PI) will be responsible for:

5.1.1. Overseeing delivery against the objectives agreed in these TORs through the timely deployment of technical assistance and procurement of third party goods and services;

5.1.2. Scaling up their team with sufficient numbers of staff with appropriate expertise to deliver SOBA II

5.1.3. Liaising and coordinating with the Ministry of Trade and Industry, SLIEPA and other government stakeholders to ensure that the project complements other activities in the selected sectors and the GoSL's post-Ebola recovery plan

5.1.4. Liaising and coordinating with donor partners and private sector stakeholders to ensure that the project complements other activities in the selected sectors;

5.1.5. Identifying and highlighting to DFID any risks and constraints to the delivery of the objectives of the programme; and

5.1.6. Providing regular progress and financial updates to DFID, against the specific objectives agreed in the inception report.

5.2. The PI will be responsible for all logistical arrangements, accounting and reporting and this must be in line with DFID procedures and standards. The PI will maintain their main office within the Ministry of Trade and Industry, Youyi Building, Freetown, but may also operate satellite offices for special functions (for instance financial records and accounting) or regional activities.

5.3. The PI will ensure maximum use of resources originating in Sierra Leone and support Sierra Leoneans through employment and training within the programme were this will not compromise its effectiveness.

6. Governance and Reporting

- 6.1. In accordance with UK Government policy, the control of all policies, plans, funds and other resources remains solely with DFID. However, a Programme Advisory Committee will be established to provide advice on progress, risks and opportunities. This committee will be comprised of:
 - 6.1.1. DFID will chair the committee and will be represented by one or more members of DFID Sierra Leone.
 - 6.1.2. Representatives from the Ministry of Trade and Industry, who will co-chair the committee meetings.
 - 6.1.3. Representatives from other government stakeholders, including SLIEPA, the Ministry of Agriculture, Forestry, and Food Security and others as and when appropriate.
 - 6.1.4. Representatives from donor partners such as IFC (linking to joint access to finance projects), GIZ (on agriculture) and UNDP (on business training).
 - 6.1.5. Representatives from civil society and the private sector. The representatives will be nominated by DFID but subject to agreement by GoSL and donor partners.
- 6.2. Committee meetings will occur quarterly.
- 6.3. The committee will receive quarterly technical reports from the Programme Implementer but not the financial reports, and will act both as a forum for advice to DFID and the PI on issues arising within the programme, and also as a means of disseminating information about the programme and about the programmes of other partners which may impact on market development in Sierra Leone.
- 6.4. The management arrangements are for duration of SOBA II. However, it is intended that programme management is integrated into the Ministry of Trade and Industry over the lifetime of the extended programme. With this aim, support will be given to MTI to build its capacity and to progressively hand over components as and when MTI is ready to assume responsibility for them. The specific arrangements for the handover of management to GoSL and an exit strategy for the PI will be determined during the design of the extension phase.
- 6.5. In addition to the SOBA II strategy, workplan and procurement plan, the PI will provide DFID with quarterly reporting on progress against the workplan and finances (including comparison of budget with expenditure). Quarterly reports should be delivered within one month of the end of each calendar quarter. In addition the PI will deliver more detailed annual progress reports which will include detailed narrative on progress, results updates and financial reporting. Annual reports will be delivered six weeks following the end of each calendar year. The PI will also submit monthly financial forecast updates.

7. Counterpart arrangements

- 7.1. Although the programme is to be implemented with many partners, it is planned that, by the end of the extended programme, the Ministry of Trade and Industry will be able to continue and expand their role as facilitators of efficient and effective market systems in Sierra Leone. MTI will therefore take a counterpart role with the Programme Implementer from the beginning of the programme in order to gain capacity and establish MTI's position in relationship to the market. The counterpart role will focus on policy, information and implementation.
- 7.2. The Chief Director and Professional Head of the Ministry will be the counterpart of the Team Leader of the Programme Implementer on all policy, research, implementation and evaluation issues except for finance and personnel.

8. Contractual timing and implementation period

- 8.1. SOBA II is expected to run from February 2016 to January 2018. By July 2017 DFID will decide whether to further extend the project or let it close on 31st January 2018. Any further phase of this project beyond SOBA II may be subject to a procurement competition to select the new PI.

9. Qualifications of the Programme Implementer

- 9.1. The selected PI shall have following minimum skills, expertise and experience:
 - 9.1.1. A successful track record in the design, delivery, monitoring and evaluation of M4P programmes;
 - 9.1.2. A successful track record of implementing projects in support of growth and employment in the West Africa region;
 - 9.1.3. Ability to deploy experts who will have strong credibility in the agricultural and manufacturing sectors in Sierra Leone;
 - 9.1.4. Ability to deploy experts who have a strong track record and commitment to poverty and gender equity issues;
 - 9.1.5. A successful track record in delivering value for money and high quality financial management for DFID.

10. The PI Team

The PI is responsible for creating a team based on their own experience of delivering SOBA I. DFID expect the PI to expand their Team with a sufficient number of staff with appropriate expertise to deliver the results articulated in these TORs. As a minimum, we expect the team to include a team leader, portfolio director, sector leads, market business advisers; M+E manager; intervention leads and support staff. We would expect key team members to be resident in Sierra Leone for the duration of this Phase.