

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE
UNIÃO AFRICANA

*Addis Ababa, ETHIOPIA, P. O. Box 3243, Telephone: +251-11-551 7700,
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REQUEST FOR PROPOSALS

**CONSULTANCY SERVICES FOR CONDUCTING A FEASIBILITY STUDY FOR
THE ESTABLISHMENT OF AN AFRICAN YOUTH FUND**

Procurement No: AUC/HRST/C/70

March 2018

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Section I: Letter of Invitation

6 March 2018

Dear Sirs,

REF: REQUEST FOR PROPOSALS FOR CONSULTANCY SERVICES FOR CONDUCTING A FEASIBILITY STUDY FOR THE ESTABLISHMENT OF AN AFRICAN YOUTH FUND

1. The African Union Commission would like to engage the services of a consultant to **Conduct A Feasibility Study For The Establishment Of An African Youth Fund**. The African Union Commission invites interested and eligible bidders to submit technical and financial proposals for the assignment as per attached Terms of Reference (TORS).
2. A firm will be selected under **Quality and Cost Based Selection Method** procedures. The **TECHNICAL** and **FINANCIAL** offers must be delivered in **TWO SEPARATE** envelopes enclosed in an OUTER envelope to the address below on or before the 5 April 2018 at 1500hrs. Late bids will be rejected and returned unopened to bidders. The Outer envelope should bear the name and address of the bidder.
3. Bidders may request for clarifications no less than 7 days from the deadline for submission, from **The Chairperson, Internal Procurement Committee, African Union Commission, Telephone number (+251) 11 5517700, Ext 4341, Email tender@africa-union.org**
4. Bidders Must submit the following documents:
 - (i) Certificate of incorporation (Company Registration)
 - (ii) At Least 3 Contactable references in the last 5 years
 - (iii) Company profile demonstrating at least 5 experience
5. The address for deposit of bids is: **The Chairperson, Internal Procurement Commission, African Union Commission, Building C, 3rd floor, TENDER BOX, Roosevelt Street, P. O. Box 3243, Addis Ababa, Ethiopia.**

Yours sincerely,

Carine Yemitia Toure
Head, Procurement, Travel and Stores Division

Section 2: Terms of Reference

1. CONTEXT

The youth development policy at the continental level has rapidly evolved since the adoption of the African Youth Charter, which to date remains the premier continental youth policy document. In actualizing the charter, other policy frameworks have been adopted including the Youth Decade Plan of Action, Malabo decision on Youth Empowerment, Sexual and Reproductive Health and Rights Continental Policy Framework, AU gender policies and Agenda 2063. Agenda 2063 recognises that the future of the continent, in part, rests on the skills, knowledge, talents and commitment of its young people. The Agenda also envisions that the youth of Africa shall be socially, economically and politically empowered with full implementation of the African Youth Charter.

The Assembly of Heads of State and Government decided at their 26th Ordinary Summit in Addis Ababa on 31st January, 2016 to devote the theme for 2017 to “*Harnessing the demographic dividend through investments in the Youth*”. This dedication to focus a year on investments in youth development in Africa was premised on the urgent need to transform the potential of Africa’s large youth population into a demographic dividend. In addition, the 29th African Union Assembly of Heads of State and Government meeting in July 2017 decided on the Establishment of The African Youth Fund and with support from all partners requested the AUC to develop the instruments for the management of the fund.

2. PURPOSE OF THE FUND

Africa’s demographic structure presents unprecedented potential for economic growth. Beyond the simple increment in the number and share of working-age population, the development and implementation of sound policies in education, health, and the creation of an enabling macroeconomic environment that facilitates job creation and access to decent employment would ensure increases in the productive workforce and lead to higher growth and rising income per person. The driving idea of the youth fund is that the responsibility of harnessing the demographic dividend should include participatory action of young people. This is often challenging as traditional financial structures and mechanisms are unable support participation of young people due to lack of inclusion in systems and perception of increased risk of credit.

Therefore, the fund aims to drive catalytic positive action in youth development through providing necessary capital to drive youth led transformative action and change on the continent. As this is an incredibly ambitious goal, the fund will prioritise engagement with stakeholders and work to expand and deepen ecosystem support structures. The fund is envisaged as an implementation support vehicle for critical development visions and plans.

- Agenda 2063 envisions an Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children). This requires creating opportunities for Africa’s youth for self-realization, access to health, education and jobs; as well as ensuring safety and security for Africa’s youth and children. The Agenda 2063 transformation framework further realises that achieving success requires mobilisation of resources to finance and accelerate the transformation of the continent.

- AU Five Year Plan of Action on Youth Empowerment in Africa 2019-2024 (APAYE): The first ten-year implementation plan of Agenda 2063 calls for a 5-year plan of action on youth empowerment building on the lessons and successes of previous plans. The fund will serve as a mechanism towards a decentralized implementation of the APAYE
- AU Roadmap on Harnessing the Demographic Dividend: The Roadmap on Harnessing the Demographic Dividend provides key short and medium term actions and deliverables.

The approach of the key policy frameworks focuses on four key interconnected pillars that are most critical to increasing investments in youth, driving change and setting African countries on the path towards harnessing the demographic dividend. These areas are:

- Employment and Entrepreneurship
- Education and Skills Development
- Health and Wellbeing
- Rights, Governance and Youth Empowerment

3. OBJECTIVE OF THE CONSULTANCY

The objective of this consultancy is to advise the African Union Commission (AUC) on the feasibility and mechanism of establishing the African Youth Fund (AYF). This shall include the design, operations and governance of the fund. Additionally, a recommended component of the Fund's sustainable financing mix. The Specific Objectives are:

- a. To frame the architecture of the proposed African Youth Fund
- b. To articulate its investment policy and governance structure.
- c. To develop a funding strategy, including list of potential donors for fund capitalization.

4. SCOPE OF WORK

The Consultant will:

- 1.1 Review relevant literature internally and externally aimed at providing an understanding of the context for the consultancy and the structure of similar funds within the African Union Commission structures, Regional Economic Communities (RECs) and Member States (MS). Documents to be reviewed will include inter alia: The African Youth Charter, Agenda 2063 and its 10 year implementation plan, relevant African Union Assembly Decisions, Report on the Implementation of the Institutional Reform of the African Union and similar existing funds within the AUC, RECs and MS
- 1.2 Prepare an inception report which details the methodology/approach to the assignment and a related work implementation plan;
- 1.3 Review of relevant data on similar funds to inform a report on the analysis and recommendations of fund feasibility and proposed design;
- 1.4 Consult with private and public sector entities regional and international financial and donor community to gauge their disposition to make pledges to the fund;

1.5 Prepare and submit a draft report on the feasibility mechanism of the African Youth Fund. This is in line with pillar 1 on Employment and Entrepreneurship of the Roadmap on Harnessing the Demographic Dividend through Investments in Youth. The report should articulate the nature of the facility, its architecture, including enabling resolution, gift acceptance policy, designated fund policy, and spending rules; funding and fund raising options, investment guidelines, governance, management and sustainability;

1.6 Presentation to a validation meeting

1.7 Finalize report taking into consideration the feedback from key stakeholders and submit the report of the Consultancy to the AUC

5. OUTPUTS/DELIVERABLES:

The consultant will submit to the African Union Commission for approval the following:

Outputs/Deliverables	Time Frame for Delivery
Inception Report to include, inter alia, the detailed proposed methodology and a Work Implementation Plan	Within 2 weeks of contract signature
First Progress Report to include: <ul style="list-style-type: none"> • Analysis of Youth Fund models and options for the African Youth Fund; and • Funding Strategy and options for the AYF, including criteria for private and public donor contributions and pledges and a list of potential donors 	Within 4 weeks of contract signature
Second Progress Report to include: <ul style="list-style-type: none"> •Architecture of the fund • Determination of initial capital base •Investment guidelines •Options for investment including types of financial instruments for investing the fund • Governance mechanism • Sustainability considerations 	Within 6 weeks of contract signature
Draft Final Report with recommendations on: <ul style="list-style-type: none"> • Mechanisms for administering the fund • Fund raising strategy and period of accumulation of the fund • Institutional location of fund and investment portfolio – internal vs external management of the fund • Strategy for the sustainability of the fund 	Within 8 weeks of contract signature
Presentation to a validation meeting	9 th week of contract signature
Final report incorporating feedback from AUC and Stakeholders	10 th week of contract signature

6. APPROACH AND DURATION

The consultant is expected to work directly with the AUC Youth Division and liaise with relevant stakeholders when necessary. The assignment will be home based and will require travel for inception and presentation of final report. Upon signing the contract, the service provider will work closely with the Youth Division team to agree on task requirements and methodology. The Youth Division team shall monitor every stage of the requirements and shall evaluate the deliverables. The terms and conditions of the contract shall apply for the duration of the contract, beginning on the date of contract signature and the completion date. The Consultancy is expected to commence during the first week of March and be completed within 10 weeks (50 working days), spread to May, 2018.

7. QUALIFICATION AND EXPERIENCE

The prospective consultant is expected to have a proven track record structuring innovative impact investment/social finance models in Africa. Teams with experience structuring fund, managing funds and measuring impact are preferred. At the minimum, the service provider should possess:

- a. Postgraduate Degree in Business Administration, Finance, or related field
- b. At least ten years relevant experience in providing financial consulting services
- c. At least ten years' experience in the design of financial and or investment instruments
- d. Previous verifiable experience in establishing endowment trust funds or social investment funds
- e. Ability to manage assignments effectively, consistently ensuring timeliness and quality of work with minimum supervision.
- f. Excellent communication and representation skills.
- g. Experience in the youth development or the wider development sector is desirable
- h. Experience working with an international organisation or development finance institution will be considered an asset.
- i. Willingness and ability to travel regionally

Selection Criteria

<u>S/N</u>	<u>CRITERIA</u>	<u>Score</u>
1	General Experience of the firm: The prospective consultant is expected to have a proven track record structuring innovative impact investment/social finance models in Africa.	40
2	Qualifications of Key Staff: The team must have: a. Postgraduate Degree in Business Administration, Finance, or related field b. At least ten years relevant experience in providing financial consulting services c. At least ten years' experience in the design of financial and or investment instruments d. Previous verifiable experience in establishing endowment trust funds or social investment funds e. Ability to manage assignments effectively, consistently ensuring timeliness and quality of work with minimum supervision. f. Experience in the youth development or the wider development sector is desirable	30
3	Experience working with an international organisation or development finance institution will be considered an asset.	20
4	Methodology and Workplan	10
5	<u>TOTAL</u>	100

The pass mark for Technical proposals shall be 70%. The Technical Score shall contribute 80% of the Final Score and the Financial Score shall contribute 20%. The consultants must familiarise themselves with local conditions and take them into account in preparing their proposals.

Conflict Of Interest

African Union policy requires consultants to provide professional, objective, and impartial advice, and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interests of the Client.

Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:

- (a) *Conflict between consulting activities and procurement of goods, works or services: A firm that has been engaged to provide goods, works, or services for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, works or services resulting from or directly related to the firm's consulting services for such preparation or implementation (other than a continuation of the firm's earlier consulting services for the same project).*
- (b) *Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants.*
- (c) *Relationship with AUC staff: Consultants (including their personnel and sub-consultants) that have a business or family relationship with a member of AUC staff (or of the Client staff, or of a beneficiary of the assignment) who are directly or indirectly involved in any part of: (i) the preparation of the TOR of the contract, (ii) the selection process for such contract, or (iii) supervision of such contract may not be awarded a contract.*

The African Union requires that Officers of the AU, as well as Bidders/ Suppliers/ Contractors/ Consultants, observe the highest standard of ethics during the procurement and execution of such contracts.¹ In pursuance of this policy the AU:

¹ *In this context, any action taken by a bidder, supplier, contractor, sub-contractor or consultant to influence the procurement process or contract execution for undue advantage is improper.*

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
- (i) “corrupt practice”² is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) “fraudulent practice”³ is any act or omission including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - (iii) “collusive practice”⁴ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (iv) “coercive practice”⁵ is impairing or harming or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (v) “obstructive practice” is deliberately destroying, falsifying, altering or concealing of evidence material to any investigation or making false statements to investigators in order to materially impede any investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation;
- (b) will reject a recommendation for award of contract if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded an African Union financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, an African Union financed contract.

Consultants shall not be under a declaration of ineligibility for corrupt, fraudulent, collusive, coercive or obstructive practices issued by the.

² “another party” refers to an officer of the AU acting in relation to the procurement process or contract execution. In this context, “officer of the AU” includes staff and employees of other organisations taking or reviewing procurement decisions.

³ a “party” refers to any officer of the AU; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

⁴ “parties” refers to any participants in the procurement process (including officers of the AU) attempting to establish bid prices at artificial, non competitive levels.

⁵ a “party” refers to any participant in the procurement process or contract execution.

Submission of Technical Proposal

The Technical Proposal shall provide the following information:

- (i) A brief description of the firm's organisation and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter-alia, the profiles of the staff proposed, duration of the assignment, contract amount, and the firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the Client.
- (iii) A description of the methodology and work plan for performing the assignment.
- (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing.
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.
- (vi) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment, supported by bar-chart diagrams showing the time proposed for each professional staff team member.

The Technical Proposal shall not include any financial information.

Submission of Financial Proposals

1. Financial Proposals must be sealed in a separate envelope.
2. In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents.
3. The Financial Proposal shall include all the costs the consultant incurs to provide the services (including travel expenses, translation, printing and the taxes the consultant pays for its business requirements by the law of the domicile country of the consultant), but shall exclude all local taxes levied within African Union Member States on the invoice issued by the consultant (such as local sales tax, services tax or withholding tax).