



TERMS OF REFERENCE

Recruitment of a Consultant to Develop Human Capital Development Strategy

1. Introduction

This Terms of Reference (ToR) outline the requirements for a consultant to develop a strategic document that will guide FSD Ethiopia's efforts of capital market development through addressing the human capital deficit. The development of a knowledgeable and skilled workforce is paramount to ensuring that Ethiopia's capital market can reach its full potential. Comprehensive training programs, professional development initiatives, and partnerships with global professional institutions will be essential to build the expertise needed to support a modern capital market infrastructure. Only with a concerted effort to develop human capital will Ethiopia be able to overcome the challenges and achieve a robust, resilient, and inclusive capital market.

2. Background

FSD Ethiopia seeks to onboard a consultant that will guide human capital development efforts within the capital markets ecosystem. The consultant will develop a strategy and roadmap on human capital development that addresses the unique needs of the capital markets ecosystem.

2.1. About FSD Ethiopia

FSD Ethiopia is a development agency that supports the development of accessible, inclusive, and sustainable financial markets for economic growth. It aims to address financial system failures by facilitating market actors to address constraints and build a functional financial sector that generates economic gains for all Ethiopians.

More about FSD Ethiopia can be found here: <https://fsdethiopia.org/>

3. Objectives and Scope

3.1. Objective of the Strategy

The objective of this initiative is to develop a comprehensive human capital development strategy and roadmap for Ethiopia's capital markets, aligning FSDE's vision of a robust, inclusive, and well-governed financial sector with long-term goals. The output of the strategy will support FSDE by developing a tailored human capital strategy that addresses the unique needs of Ethiopia's capital markets landscape, including short- and long-term skill gaps, regulatory requirements, and market dynamics.

Scope of Work

The scope of the assignment will include:

- Market assessment and skills gap analysis: conduct a comprehensive skills and capacity assessment across key stakeholder groups, including regulators, exchanges, market operators, and financial institutions. Identify critical skill gaps, current training provisions, and unmet needs.
- Visioning and strategic framework development: facilitate visioning sessions to define FSDE’s long-term activities by engaging with key stakeholders like Ethiopian Capital Market Authority, Ethiopian Securities Exchange, Ministry of Finance, potential intermediaries, investors, issuers and other key actors for human capital in capital markets, establishing specific, measurable goals and milestones.
- Roadmap design: develop a phased roadmap with priority initiatives for skill development, including training programs, partnerships, and capacity-building initiatives. This should detail high-impact, achievable goals for the short (1-2 years), medium (3-5 years), and long-term (5+ years). The roadmap will also identify resource needs.
- Stakeholder engagement and partnerships: Identify key partners and stakeholders, including educational institutions, international bodies, and industry players, to build collaborative programs for sustainable human capital development.
- Development impact: develop a monitoring and evaluation framework with metrics to track progress and impact of human capital initiatives, enabling FSDE to adapt and scale programs based on outcomes.

4. Deliverables

In line with the scope of work, the expected deliverables under this contract will include the following, organized in a sequence to facilitate milestone-based payments:

- i. Submission of an inception report containing a workplan, approach, and methodology.
- ii. A draft strategy document containing all contents listed on the scope of work
- iii. Engage with the relevant stakeholders, validate the findings, and submit report
- iv. A final strategy document incorporating comments from stakeholders

5. Ways of working

The Consultant will be engaged by FSD Ethiopia and will work with the financial markets pillar and report directly to the Financial Markets Pillar Lead.

6. Timelines

The consultant is expected to execute tasks under each set of deliverables within the specified timelines. The project is expected to be completed in a period of three (3) months. Below is the updated timeline for each deliverable:

Deliverables	Timeline
Submission of an inception report	Within three (2) weeks of award of contract
Submission of a draft strategy document	Within ten (8) weeks of award of contract

Stakeholder engagement and submission of engagement report	At least 1 validation workshop
Submission of the final strategy document	Within twelve (12) weeks of award of contract

7. Invitation to Submit Proposal

Qualified consultants are invited to submit proposals for this assignment. The proposal should include:

- Names and CVs of key individuals (maximum three sides of A4 paper each).
- Outline of team structure. The proposed team must be gender balanced.
- Summary of experience in the operation and regulation of capital markets in emerging markets and having provided human capital development services.
- Description of the consultant’s understanding of the role and how they intend to fulfil the services within the suggested timeline.
- References (and their contact details) who can provide testimony for the Consultant’s experience, skills, and overall suitability for this assignment highlighting experience relevant to this RFP and dates of service.
- Estimated budget for both professional fees and reimbursable expenses.

Proposals should be submitted electronically to bids@fsdethiopia.org with the subject line “Consultant to Develop Human Capital Development Strategy” by 12 noon 3 December 2024.

Note: Technical and financial proposals should be submitted separately but simultaneously.

8. Basis of award

A contract will be awarded to the most economically advantageous tender based on the following criteria:

Mandatory requirements
The firm must demonstrate experience in developing strategies, especially on capital market development assignments. The team leader should therefore provide proof of having undertaken at least two similar assignments in at least two markets within the last seven (7) years.
The firm must have good knowledge of capital market and its context and the capacity to engage intensively with this assignment with a view to concluding the work within the timetable prescribed.
Relevant qualifications of team members in capital market and having experience in capacitating ecosystem players
Experience in managing and executing complex projects

Assessment criteria	Weighting (%)
Relevant, demonstrated experience and capacity of firm and proposed team in this area	40%
Experience on similar assignments in emerging markets and human capital development	20%
Understanding/interpretation of the task set out in the TORs	10%

Assessment criteria	Weighting (%)
Content, quality, and originality of proposal	10%
Fee basis and total costs	20%
Total	100%

9. Contact

Questions or comments in respect of these terms of reference should be directed by email to bids@fsdethiopia.org on or before 12:00 noon 25 November 2024 and feedback will be provided by 12:00 noon 28 November 2024.

10. Applicable Taxes

As per Ethiopia's tax law, FSD Ethiopia will pay the contractor after withholding the appropriate taxes at the applicable rate. It is the responsibility of the contractor to keep themselves apprised of these applicable taxes.