

**UK Prosperity Fund – Skills for Prosperity Programme
Foreign, Commonwealth and Development Office (FCDO)
Terms of Reference (ToR)**

**Rapid Labour Market Information (LMI) Assessment - To inform potential post-
COVID-19 support to South Africa on addressing youth unemployment
16 November 2020**

Introduction to the UK Prosperity Fund’s Skills for Prosperity Programme

1. In 2015, the UK Government announced a £1.2bn cross-government Prosperity Fund which will run through to March 2023. Its primary purpose is to promote sustainable development and economic growth in partner countries, in accordance with Official Development Assistance (ODA) rules, the International Development Act (2002) and the Gender Equality Act (2014).
2. During their meeting at 10 Downing Street in April 2018, the former Prime Minister and President Ramaphosa agreed Prosperity Fund programming worth £50m in South Africa over the next four years. This increase on the £35m previously in December 2016 reflects a vote of confidence in Ramaphosa’s growth agenda, and his international drive to attract \$100bn in new investment. The UK Government will support through a portfolio of nine global Prosperity Fund programmes currently being developed or delivered to support more inclusive growth in South Africa’s trade, business environment, digital access, health, skills and cities.
3. The Global Skills for Prosperity Programme was announced in August 2018 and launched in South Africa in October 2019. It is an ODA programme operating across nine countries including South Africa.
4. Following a series of scoping studies and consultations with stakeholders in government, business and civil society, the British High Commission Pretoria designed the South Africa programme. The programme will provide technical assistance to improve the **quality**, **relevance**, and **equity** of technical and vocational education training (TVET).
5. In South Africa the Skills for Prosperity (S4P) Programme will deliver three core strands of activity:
 - Strand 1:** Technical assistance to improve the quality of TVET qualifications.
 - Strand 2:** Building capacity and supporting improved learning outcomes in TVET colleges.
 - Strand 3:** Improving opportunities for underprivileged youth to access skills and job readiness training.
6. The intended impact of the programme is **increased capacity for inclusive economic growth by increasing in labour productivity, which will contribute to poverty reduction.**

7. The expected outcomes of the programme are improved skill levels, employment rates and productivity of beneficiaries (TVET students or youth between the ages of 16 and 25), **particularly for the priority target groups of women, low-income youth, previously disadvantaged groups and people with disabilities.**
8. This Terms of Reference (ToR) document sets out the FCDO's requirements for a partner (hereinafter referred to as the 'Supplier') to help the British High Commission, Pretoria (the 'BHC') by producing a **"Rapid Labour Market Information (LMI) Assessment - To inform potential post-COVID-19 support to South Africa on youth unemployment"**.
9. This Terms of Reference (ToR) is specifically for a piece of research to inform strands 2 and 3 of the programme (i.e. Building capacity and supporting improved learning outcomes in TVET colleges, and improving opportunities for underprivileged youth to access skills and job readiness training).

Context

10. Addressing the skills shortage is widely regarded as a key ingredient to reducing endemic poverty, which disproportionately affects previously disadvantaged from low income backgrounds in South Africa. Skills development is one of the key objectives of South Africa's National Development Plan (Vision 2030), and President Ramaphosa has reiterated the government's focus on skills development as a key way to tackle youth unemployment. The Skills for Prosperity (S4P) Programme is aligned with this vision and is embedded in both the UK Aid Strategy and DFID's 2017 Economic Development Strategy.
11. Unemployment is a global challenge and youth are the most vulnerable. In South Africa 33.9% of youth aged between 15 and 24 are not in employment, education, or any form of training (NEET) and youth aged between 15 and 34 at 44.7%. With such a high proportion of young people not engaged either in education or employment, it presents an obstacle for poverty and inequality eradication programmes.
12. South Africa is expected to face further challenges as a result of the coronavirus pandemic. Evidence suggests that youth and vulnerable populations will be disproportionately impacted, including through unemployment and underemployment.

Scope and Purpose

13. The expected outcome from this project is to provide timely, relevant and accurate information regarding labour markets in South Africa, particularly given the ongoing COVID-19 pandemic globally.
14. The labour market assessment should offer critical insights and identify gaps, as well as opportunities, within the labour market. This is with particular reference to how sustainable interventions within the TVET sector in South Africa can support a post-COVID-19 economic recovery.

15. The study should include recommendations for where the Skills for Prosperity programme, or UK expertise in general, can make meaningful impact to create an enabling environment for positive change in this regard with a focus on, but not limited to, the following industries:
- a. Automotive
 - b. Infrastructure Maintenance
16. Objectives - the successful supplier will be expected to deliver a report based on the following:
- a. A review of the impact of COVID-19 on the South African labour market by utilising desktop/secondary data (and/or primary data where possible), namely;
 - i) An assessment of which key South African sectors offer the most potential for contributing towards sustainable economic growth, following past recessions (including how these growth rates are impacted post COVID-19) based on leading macroeconomic indicators;
 - ii) How (or if) these markets have been impacted by the current crisis, and whether there are new or emerging gaps that could drive sustainable growth in South Africa post COVID-19;
 - iii) A projection of which will be the likely sectors driving a post COVID-19 economic recovery in South Africa;
 - iv) Assessment of skills required for these identified growth sectors, identifying where there may be unmet demand within this sector in SA and the current labour/skills supply for the growth sector/s identified.
 - b. Identify potential/existing gaps in the labour market in South Africa for employment generation, including where significant gaps for sustainable economic growth are anticipated due to COVID-19 impacts.
 - c. Provide insight on opportunities for skills development in the labour market, based on identified gaps, where these align to Prosperity Fund objectives within South Africa.
 - d. Provide analysis to assess whether the current skills development system in South Africa is effectively aligned to your findings above (in a-c).
 - e. Provide a final report to outline your findings and policy recommendations, along with a presentation of your report to FCDO stakeholders.

Budget

17. The value of project proposal should not exceed £100,000 (One Hundred Thousand Pounds Sterling), calculated using a budget foreign exchange rate of R11 to £1 GBP.
18. If a project proposal is part of a wider initiative with other core funding sources, this must be disclosed.

Duration

19. Projects will be expected to run from November 2020 to end of February 2021, with sufficient time built in to complete project close-down and dissemination.

Responding to this Terms of Reference (ToR)

20. In responding to this Terms of Reference (ToR), bidders should include:

- a. Rationale: narrative explanation of impact and outputs and how they align with programme objectives; A brief methodology for addressing the objective and achieving the outputs.
- b. Project plan: including reporting schedules, activities and milestones; a project plan including reporting schedules, activities, budget, payment schedule and milestones for delivery.
- c. The work plan design should highlight any risks that might affect the success of the proposed project and indicate the degree of risk (high, medium and low) for each activity. Where possible, the supplier should indicate what measures might be reasonably taken to mitigate these risks and any additional costs this may incur.
- d. Project team: confirmation of implementer's capacity to deliver this work, a summary of relevant experience and geographic location. The project team must be able to reach Pretoria as required (as reasonable, based on best practice during COIV-19) for engagement with the Skills for Prosperity Programme team. Include CVs (of a maximum of 2 pages each) for key project personnel.
- e. A list of delivery partners that the Supplier has existing relationships with that would help deliver this programme and reach target beneficiaries, if applicable
- f. Examples of the implementer's experience in labour market information assessments.
- g. An activity-based budget, showing clearly the payment schedules linked to outputs (based on the provided template).
- h. Company registration documents and/or Articles of Association (where applicable); and
- i. Current tax clearance certificate.

Overview of Terms

21. FCDO (Foreign, Commonwealth and Development Office), through the British High Commission Pretoria (BHC), will sign an appropriate contract with the successful bidder.

22. The implementer will be required to submit monthly financial reports and project progress reports to update on impact and risks, and a final outcome report detailing LMI findings.
23. Payments will be made according to milestones, in arrears, in South African Rand. Timing for payments, based on completed and agreed milestones below:
- a. Milestone 1:
 - i. Provide a draft report with:
 1. A review of the impact of COVID-19 on the South African labour market.
 2. Identification of potential/existing gaps in the labour market in South Africa for employment generation, including where significant gaps for sustainable economic growth are anticipated due to COVID-19 impacts.
 3. Insight on opportunities for skills development in the labour market, based on identified gaps, where these align to Prosperity Fund objectives within South Africa.
 4. An analysis to assess whether the current skills development system in South Africa is effectively aligned to your findings above (in a-c).
 - b. Milestone 2:
 - i. Provide a final report to outline your findings and policy recommendations, along with a presentation of your report to FCDO stakeholders.
24. Provide insight on opportunities for skills development in the labour market, based on identified gaps, where these align to Prosperity Fund objectives within South Africa.
25. The project implementer will be expected to work with the programme's Skills for Prosperity Programme Manager in South Africa and the Skills for Prosperity Hub (team of programme specialists)

Evaluation Criteria

26. The BHC invites proposals for projects that would provide insight and understanding to the current, and likely future, labour market growth rates, where skills is in demand to inform the planning on targeted interventions to support South Africa in efforts to reduce youth unemployment and increase inclusive economic growth. Bids will be assessed against the following criteria:
- a. Value for money;
 - b. Alignment with Programme objectives;
 - c. Compliance with OECD criteria for ODA funding;
 - d. Evidence of support from key stakeholders e.g. government departments, community organisations, employers, et al;
 - e. Project viability, including implementer's capacity and track record;
 - f. Project design, including clear, achievable outcomes;
 - g. Risk; and
 - h. Stakeholder management.

Skills and Competencies

27. Bidders should demonstrate within their proposal knowledge and/or capacity in:

- a. Working with South African stakeholders, and demonstrable experience with labour market information/impact assessments;
- b. Providing timely access to high quality, cost-effective professional and technical advisory and project management services;
- c. Providing access to high quality, politically-aware, cost-effective professional assessment, project and high value programme design skills including management, delivery and monitoring and evaluation expertise;
- d. Good management and reporting skills, responsiveness, accountability, and delivery of value for money;
- e. Demonstrating appropriate cultural awareness, sensitivity and a partnership approach, adapting concepts and materials to local needs and audiences. There is also a need to provide demonstrable experience of political stakeholder engagement, management and influence; and
- f. Embedding gender and social inclusion as focal points across project activities and demonstrating a diverse range of staff in delivery with regards to gender and social inclusion.

Indicative Timetable Dates	Activities
3 November 2020	Terms of Reference (ToR) issued
16 November 2020	Deadline to submit proposals
30 November 2020	Parties notified of results
1-4 December 2020	Contracting arrangements begin. This includes due diligence checks on successful implementers, including financial and governance checks.
7 December 2020	Start of projects and activities
8 March 2021	Finalised projects and activities

Proposals must be submitted to SA.PPPT@fcdo.gov.uk by 12:00pm CAT on Monday, 16 November 2020.