



Kingdom of Lesotho

MINISTRY OF SOCIAL DEVELOPMENT

PATHWAYS TO SUSTAINABLE LIVELIHOODS PROJECT (P177814)

Economic Inclusion Program

TERMS OF REFERENCE FOR HIRING A COMPANY OR CONSORTIUM TO SUPPORT THE IMPLEMENTATION OF AN ECONOMIC INCLUSION PROGRAM.

I. Context and background

Lesotho is a small, mostly mountainous, landlocked and largely rural country in Southern Africa displaying poor economic growth performance. The agricultural sector is the major source of livelihoods for most of the population, but remain informal, not productive hence not conducive to poverty reduction and livelihoods sustainability. Lesotho is also highly exposed to climatic shocks, particularly drought, resulting in widespread, chronic food insecurity, which undermines poverty reduction and human capital accumulation. Lack of sustained economic growth, exposure to climate shocks and the most recent impact of COVID-19 pandemic have exacerbated poverty trends, resulting in stagnating poverty in rural areas, a large urban-rural divide and low human capital outcomes. Lesotho has the world's second highest prevalence of adult HIV-AIDS which has exerted persistent downward pressure on human capital outcomes and the labor income of households. The decline in fertility rates over the last 20 years opened windows of opportunities for Basotho youth, thanks to reduced dependency rates and the potential economic benefits arising from a productively employed young population. Major investments have been undertaken in the health, education and social protection sectors, which form the basis for a young potentially productive labor force. However, during the last decade, job growth was on average only 1 percent per year, less than half of the annual growth rate of the working age population. Opportunities for wage employment are limited, primarily in the public sector in urban areas, while most of the workforce is engaged in self-employment in agriculture. There is a prevalence of low-productivity jobs in the informal sector and high levels of inactivity among youth are worrying. Youth living in rural areas display low levels of education which limit their opportunities of being productively employed. Furthermore, to date, many of the resources invested by the Government and non-government stakeholders to improve labor market outcomes among youth have focused on further increasing the employability of the most-educated youth as opposed to focusing on the poorest.

In this context, the Government of Lesotho has requested the World Bank technical and financial assistance to design and implement a project to help poor and vulnerable Basotho achieve some level of well-being and graduate out of poverty, as well as improving effectiveness and equity of its social assistance programs. The project (Pathways to Sustainable Livelihoods Project – PSLP - P177184) is composed by the following components:

- **Component 1** will support the introduction of an economic inclusion package designed to strengthen beneficiary livelihoods (A) and provide assistive devices to people with disability (B);
- **Component 2** will pre-position contingent finance to enable the timely delivery of shock responsive cash transfers, using those same delivery systems, for more efficient shock responses;
- **Component 3** will build on the main achievements of the previous SAP (P151442) by continuing to strengthen core delivery systems in order to improve the efficiency and equity of the selected social assistance programs; and
- **Component 4** includes project management and supports components 1-3.

In particular, component 1 will support the government of Lesotho in implementing customized economic and social inclusion activities. While economic and structural transformation is the main driver of productivity growth and poverty reduction in most countries, the unique geographical challenges that Lesotho faces – among others - are preventing this process to happen at a faster pace, and keeping people trapped in bad jobs mostly in rural areas. This component is designed to strengthen the livelihoods of targeted beneficiaries who can productively engage in - or improve their existing - economic activities, to not be left behind and better taking part in this process. In particular, it seeks to provide the opportunity to individuals that are able to be economically active to receive a package of productive services and support to enable them to engage in economic activities, save, be referred to relevant services and move out of extreme poverty. This package of services and support will be provided through the project, which features a strategy grounded in good practice from the “economic inclusion approach,” a sequenced, time-bound, and targeted set of interventions designed to support beneficiaries to move sustainably out of poverty and build their resilience. The ultimate objectives of the intervention is (i) to improve human capital and the self-sufficiency of poor and vulnerable households and individuals in selected geographical areas (to approximately 9,000 targeted beneficiaries), with the resources they need to overcome some of the constraints they face in engaging in economic activities and which have the potential to increase and diversify their income and productivity.

The main implementing partner for the PSLP is the Ministry of Social Development (MoSD) which has been created to implement a newly-adopted social development approach based on introducing measures that would link beneficiaries of its social assistance programs to sustainable livelihood options (graduation principles), in addition to the continued provision of social welfare measures. An important decision taken by MoSD was the creation of a department that would facilitate the provision of access to sustainable livelihoods for beneficiaries of its social assistance programs, namely, the Child Grants (CGP), Public Assistance (PA) and OVC Bursary programs (OVC) programs. Once in place, the new Community Development and Operations Department, as it is called, embarked on a country-wide livelihood promotion and enhancement initiative known as just Community Development.

II. Introduction to the assignment

These Terms of Reference (TORs) refer to component 1A, which seeks to increase productivity and earnings of underemployed and self-employed people in targeted community councils, especially informal and female-owned micro-enterprises. Together, the services offered will enable beneficiaries (largely youth and women for poor or near-poor household) to develop skills, overcome financing constraints, engage in economic activities, save, be referred to relevant services and move out of extreme poverty.

The intervention under Component 1A provides a combination of skills and other development services, as well as financing for an overall number of 10,000 beneficiaries across selected councils in Lesotho.

The Economic Inclusion Program will be administered by the MoSD (Community Development Department) which will, over the course of the project period, build experience in delivering services to households at “the last mile,” those traditionally not reached by other programs. The Community Development Department, together with the service provider (technical assistance partner) (through these terms of reference -TOR), will aim to test economic inclusion interventions in Lesotho to establish good practices and a replicable model for potential future scale up. MoSD intends to actively engage other institutions focused on supporting people living in extreme poverty in Lesotho and build on and contribute to lessons learned in economic inclusion within social protection systems in Lesotho and elsewhere.

The activities would be implemented in selected rural community councils where the CGP and PA programs are currently being implemented and where poverty levels are high.¹ Targeted beneficiaries are vulnerable and poor individuals in selected councils that are either (i) members of households receiving cash assistance from the CGP and PA who have potential for being economically active or (ii) individual community members not part of these groups but who meet the eligibility criteria (live in poverty and are able to pursue an economic activity).

These TORs refer to the technical assistance to the activities under Component 1A of the Project for 5 councils in Lesotho. The Project is seeking the services of a Consultant (firm or consortium) to support the implementation of all phases of the “Program” (Economic Inclusion Program, “EIP”), in accordance with the objectives and descriptions of these TORs, in cooperation with the Project facilitation Unit (PFU), the MoSD, and the World Bank.

The EIP is expected to result in: (i) increased productivity (income) of beneficiaries and improve skills for 5,000 vulnerable beneficiaries; (ii) investment grants to 5,000 beneficiaries to launch or improve their micro-enterprise; (iii) increased savings among beneficiaries and (iii) beneficiaries referred to other social services.

¹ This is preliminary and can change based on further assessment conducted by the Consultant and/or by the World Bank/MoSD team, or suggested by Consultant’s proposal.

III. Objective of the consultancy

The Project is seeking the services of a Consultant (firm or consortium) to support the implementation of all phases of the Economic Inclusion Program (EIP) (“the Program”) in selected councils in Lesotho.

The Consultant will carry-out (i) communication and outreach activities and the selection of beneficiaries who will receive the package of economic inclusion services, in strict cooperation with the MoSD (ii) the implementation of the package of services provided to beneficiaries; (iii) the technical assistance to MoSD to build capacity to be able to take on most of these activities in the future. All together, these tasks form part of the EIP.

The Consultant will be responsible for the services requested in these TORs in 5 selected councils in Lesotho. A parallel consultancy will cover districts in another 5 councils. The activities under this Consultancy will take place in the following districts:

District	Council
Mafeteng	Metsi Maholo
Quthing	Tosing
Mohale’s Hoek	Thaba Mokhele
Leribe	Bolahla
Berea	Phuthiatsana

The tasks associated with the EIP include:

- 1) Preparation and Planning (including to prepare Operations Manual covering all aspects of implementation);
- 2) Awareness and communication about the Program (Promote and receive applications including through partner organizations)
- 3) Identification and selection of beneficiaries
- 4) Economic Inclusion package delivery (service delivery, monitoring and implementation, quality assurance and feedback mechanisms);
- 5) Supervision of investment grants (award process, monitoring of implementation);
- 6) Technical assistance to the MoSD
- 7) Grievances and Redressal Mechanism (GRM);
- 8) Monitoring and Evaluation (M&E) (Tracking Program implementation and results).

The Consultant will provide technical support for all aspects of the implementation of the EIP. All supported investment grants will need to be compliant with World Bank safeguard policies.

The assignment is required to be completed in a period of 36 months since commencement of services, and foresee the delivery of the required services and targeted outputs in two cycles.

IV. Description of the Economic Inclusion Program (EIP)

The EIP includes the following package of services for beneficiaries:

1- **Community sensitization sessions.** A video or other material showing typical beneficiaries of this program (like a couple or youth) who overcame shocks and grow their economic activities—thanks to strong support from their communities—could be prepared and showed in each village where beneficiaries are selected. It is shown to a large group of men, women, elders, and influential community members. After the screening, a community discussion is organized to build support for beneficiaries, of which at least 50% of whom are women, and 40% are youth.

2- **Soft skills trainings.** This group-level training includes sessions on communication skills, confidence-building, innovation, and gender relationships. The soft skills training focuses on teaching how to think like an entrepreneur and on developing personality traits and attitudes that are typically displayed by successful entrepreneurs. Preferred approach for this curriculum is the Personal Initiative, a psychological entrepreneurship training developed by Prof. Michael Frese, Prof. Michael Gielnik and their team at the Leuphana University of Lüneburg.² As these skills are useful in all contexts of life, as well as in the labor market, even if not directly applied to economic activities of beneficiaries within the life of the project, they will be useful to graduate youth out of inactivity, and support their social inclusion or empower them to seek alternatives for a better life. Specific modules tailored around inactive youth beneficiaries and women will be developed. The curriculum will have to draw from internationally recognized effective material aimed to stimulate mindset and attitudes changes. The Consultant will recruit international trainers to deliver a training of trainers (ToT) and will organize the recruitment of local trainers who successfully participated in the ToT and will deliver the trainings to beneficiaries.

3- **Micro-entrepreneurship training.** This group-level training covers managerial and transversal technical skills that will help beneficiaries better manage their productive activities, inform the use of their productive grant, learn how to start or run a business, etc. Trainings will be delivered through heuristic approaches whenever possible and will need to be adapted to local contexts to ensure that even the least-educated micro-entrepreneurs or self-employed can understand and learn better business practices

4- **Facilitation of community/village savings and loans groups/associations.** The village savings and loans groups/associations (VSLA) may be established utilizing global best practice, and each is expected to function independently by the end of the program. Participants may be integrated into these groups and the existing groups strengthened, as appropriate. Groups will serve for peer-to-peer exchange and learning, as well as provide a facility for risk management in the event of shocks and as a mechanism for borrowing in support of livelihood investments. Informal savings groups, most of which operate as accumulative savings and credit associations, are an important source of informal credit already for many rural Basotho, especially for women. The project will leverage, when possible, on these existing groups and provide mentoring and training. Mentors/facilitators/coaches will visit beneficiaries regularly and help link beneficiary households to project activities and other services. Professional trainers will also be recruited to provide the financial literacy and credit/savings schemes, and they will be appropriately sensitized and trained on GBV issues, as well as on gender-sensitive approaches to meet needs of female

² See more at: <https://pi-training.org/>

participants. This financial inclusion intervention as well as the VSLA groups will be open to all other household members.

5- **Coaching.** Coaches played the role of mentors to individuals and small groups of 15 to 25 people, beneficiaries. These groups can be the same as VSLA or separate groups with different activities. They prepare and follow up on each measure, helping tie the whole program together. The mentor/facilitator/coach will be recruited by the Consultant in coordination with MoSD and will guide beneficiaries through the two-year program as they graduate to sustainable livelihoods and resilience. Coaches are often trusted members of the community, who are knowledgeable about local economic opportunities. They have been previously trained by trainers to perform their tasks in the best way possible.

6- **Access to markets.** Well-trained coaches (could be the same as for point 5 and 4) facilitates group discussions on topics like how to improve access to markets, where to buy inputs for agricultural activities, how to choose suppliers, or where to sell their goods. In some contexts, coaches also acted as intermediaries to help beneficiaries accessing inputs or potential buyers.

7- **Referral services:** individual beneficiaries or members of their households will be linked with any relevant services or programs (government, non-governmental organization, private sector, or other) for which they are eligible but are not accessing, that can improve their well-being as well as their human capital outcomes (health and nutrition for example, others), or support them in case of a future set-back. When necessary and possible, mentors will seek to improve the delivery or accessibility of relevant services.

8- **Cash grant.** The program provides grants between \$300 and \$400 per individual to enable beneficiaries to invest in their economic opportunities. The funds for the grants are not included in the budget for this contract with the Consultant, hence its payment and management are not included in these ToRs.

V. Scope of Work

#	Stage	Months since the start																																												
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36									
1	Preparation and Planning																					2nd cycle																								
2a	Awareness and communication																																													
2b	Partnerships with local organizations																																													
3	Identification and selection of beneficiaries																																													
4	Curriculum Development/adaptation for both trainings																																													
5	Hiring of local trainers & Training of trainers																																													
7	Technical Training																																													
8	Soft Skills Training																																													
9	Grants																																													
10	Business mentoring support																																													
11	Savings groups and financial training																																													
12	Government Capacity Building																																													
13	Grievances and Redressal Mechanism																																													
14	Monitoring and Evaluation																																													
		Year 1												Year 2												Year 3																				

This section sets out the tasks and expected outputs from the Consultant related to each measure and pillar of the Economic Inclusion Program (EIP). Refer to the timeline of activities below:

Phase 1 - Preparation and Planning

The Consultant will develop detailed plans and strategies for the successful implementation of the EIP. Close communication between the Consultant, the MoSD, the PFU and the World Bank will ensure that the EIP is coordinated with other aspects of the Pathways to Sustainable Development Project, and in accordance with the EIP objectives and description provided in these Terms of Reference, enabling target beneficiaries to access relevant services and grants. In particular, the Consultant will develop, in consultation with MoSD and the WB way, a detailed process plan and timeline which includes the role of each stakeholder involved (Consultant, WB, PFU and MoSD) at each stage of the program implementation.

A monitoring and evaluation plan will be developed to collect data along the way and enable following the beneficiaries over time. Note that the World Bank, the PFU, MoSD or any third party under the Project may also conduct monitoring and evaluation (M&E) or data collection beyond this, as well as a randomized controlled impact evaluation.

In the first phase, the Consultant will develop an approach for each stage of screening and selection, including transparent and objective criteria for eligibility and the preliminary and final rounds of selection. The approach should be cost-effective and reduce the risk of fraud.

The Consultant will prepare an Operations Manual to include the following information:

- Service delivery plan: provision of services within the defined package of economic inclusion interventions;
- Communication plan, with information about outreach and awareness raising to encourage potential beneficiaries to apply for support;
- Governance model with information about the role and responsibility of the Consultant in relation to the service providers, World Bank, PFU, MoSD and Beneficiaries;
- Selection processes:
- Eligibility criteria for beneficiaries
- Channels and modalities for application to the EIP
- Evaluation process for cash investment grants
- Features of a payment system to manage cash investment grants with transparency, safety and accountability;
- Monitoring and Evaluation plan;
- Grievances and Redressal Mechanism plan;
- Technical assistance plan to the MoSD
- Any other relevant feature of the EIP

The Consultant will be able to use the main Project Operations Manual (POM) of the PSLP as input for the development of the specific Operations Manual for this project.

Phase 1 deliverables

Implementation Plan: An implementation plan (action plan) will provide the overall timeline of activities, milestones and deliverables, as well as role of each actor at each stage of the implementation process. The Implementation plan will also allocate resources to each stage and activity and anticipate risks or

challenges with implementation. The implementation plan will define how many beneficiaries will be targeted in the first and second cycle of Program delivery for a total of 5,000 beneficiaries. Deadline: 3 months since contract signature. Format: electronic.

Operations Manual: The Operations Manual covers all aspects of outreach, communication, Program design, logistics, and monitoring plan, as illustrated above. The Manual must include a clear governance model, integrating lessons learned from related Programs in similar country contexts and globally, and clear guidelines on compliance with the project's environmental and social safeguards, which should be reflected in the selection criteria. The Manual must include a mechanism of implementing the Program with the relative adjustments agreed with the MoSD, PFU and the WB and ensuring social distancing and others prevention measures recommended by the World Health Organization in case the Program needs adjustments because of restrictions imposed by Covid-19. Additionally, it should include all forms and templates to be used for the pre-selection and selection of beneficiaries. The Operations Manual should be very explicit about what happens in case beneficiaries drop out of programs or coaches or any other recruited staff do not deliver according to agreements. Deadline: 4 months since contract signature. Format: electronic and hard copy.

Financial management plan: In the financial management plan, the Consultant will describe the features of the cash management system for the business grants, to trigger disbursements for grants based on documented completion of a certain percentage of trainings by eligible beneficiaries. Financial management responsibilities are outside the scope of this contract; however, this consultancy is responsible for its own proper financial management and should inform the overall financial management of the Project. Deadline: 4 months since contract signature. Format: electronic.

Phase 2 - Awareness and communication campaign about the Program

The Consultant will develop the image and values of the EIP. All communication and awareness raising material must be developed at this stage. The name, brand and image must highlight the strengths of the Program and its potential. The Consultant, in collaboration with the MoSD auxiliary social workers, as well as other MoSD is expected to undertake sensitization and orientation for community members as well as project participants.

All the communication strategy including the use of media and traditional methods of communication will be developed. The communication strategy must be coordinated with the MoSD, the PFU, and the World Bank. The participation of MoSD members at local and national level, and of other members of District and Council level governments, should be included in the communication plan.

The strategy may include different communication channels, such as: banners on partner institutions, as well as in other relevant places (youth associations, female associations, microfinance institutions (MFIs), associations of artisans, nutrition clubs, women's groups, etc.); traditional advertisement; leveraging on media such as radio; awareness campaigns; engaging people with workshops and presentations of the EIP in partnership with local actors and relevant institutions (associations, schools, NGOs, etc.). The strategy should define in particular how to engage vulnerable youth and especially those inactive or long-term unemployed.

The main objective of the communication and awareness strategy is to inform about the Program and attract candidates to the Program. In particular, the specific objectives of the communication are:

- Organize information and awareness events within communities and with strategic actors, based

- on the Operations Manual;
- Present the Program, explain the objectives, conditions of access to the Program, eligible activities and estimated timelines;
- Inform on eligibility criteria and how to apply;
- Produce communication materials for dissemination, as relevant.

Establishing partnerships to communicate about the Program

The Consultant will establish partnerships with strategic actors / partners at the local level in the councils of work. Partnerships should focus on entities with the capacity to support EIP's communication and awareness efforts, including starting engaging with existing VLSA and other programs for referral services. Potential partners may include national state agencies (or their respective programs) and local governments, as well as private sector or business support partners (microfinance institutions, NGOs, youth associations, women's and girls' associations, donor Programs, etc.).

Phase 2 deliverables:

Communication Plan: The Consultant must present a detailed communication plan with details on awareness strategies. The Plan will have information about the eligibility, evaluation process, and enrollment process. The Communication Plan must be approved by the MoSD, the PFU and the World Bank. Deadline: 6 months since contract signature. Format: electronic.

Application Form: The Consultant must prepare an application form that is simple, but complete enough to collect sufficient information to know the applicant contact details, basic demographic details and employment status. The form must be available to fill out on paper but needs to be connected to the NISSA (government information system). The Consultant must indicate a proposal for the documents (eg: Identity Document) to be attached to the application. Deadline: 6 months since contract signature. Format: electronic and hard copies.

Phase 3 - Identification and selection of beneficiaries

An initial pre-selection of community councils has been made based on geographical needs and vulnerability, accessibility and existing Government programs (mainly CGP and PA). The Consultant will confirm the pre-selection of community councils and if needed update them based on a market assessment. The market assessment is conducted under a separate contract and is based on (on the supply side): (i) accessibility considerations related to infrastructure (availability and conditions of roads etc.), access to social services (health and other public facilities), and access to services or programs provided by NGOs or other organizations and projects that could contribute to the package of accompanying measures supported by this project; (ii) strength of the local-level implementation structures. The Consultant will review the market assessment conducted under a separate consultancy which includes (a) analysis of the opportunities for and constraints to the expansion of productive economic activities in selected districts and community councils; (b) demand assessment among the main private sector actors to understand their characteristics and potential for linkages with beneficiaries' economic activities; (c) accessibility constraints and potential related to infrastructure (availability and conditions of roads etc.), access to social services (health and other public facilities), and access to services or programs provided by NGOs or other organizations and projects that could contribute to the package of accompanying measures supported by this project. On the demand side, the assessment conducted mapped the main types of economic opportunities and livelihood activities that are viable within local or regional markets, as well as the suitability of the proposed accompanying measures in that context. The

Consultant will use this market assessment in the final design of the package of measures and the final validation of councils. Selection will also seek at representing a diversity of contexts that will help inform future expansion. It is expected that approximately 10 out of 64 rural community councils will be selected for these interventions.

In addition, the Consultant will work to leverage on the previous pilot program conducted by the MoSD, UNICEF and Catholic Relief Services (CRS) - the Sustainable Poverty Reduction through Income, Nutrition and Access to Government Services (SPRINGS) and find opportunities to build on existing economic activities and groups formed in common community councils.

Household targeting: The target population in the approximately 5 elected community councils will comprise of the following: (i) households receiving cash assistance from the CGP and PA with members who have potential for being economically active and (ii) individual community members not part of these groups but who meet the eligibility criteria (live in poverty and have a family member able to pursue an economic activity). A majority of beneficiaries will need to be youths (18-35) and at least 50 percent or more of them women. The focus on youth is motivated by their increased likelihood of being poor, in inactivity or unemployed/underemployed as well as their potential to successfully start and undertake economic and entrepreneurial activities. In line with international evidence, focusing explicitly on youth and women will allow to further enhance the CGP's positive effect on women's and youth's empowerment to support their active participation in income generating activities.

The consultant will finalize, together with the MoSD and the WB the identification and selection strategy of beneficiaries in the targeted geographical areas based on a three steps process:

- Analysis of the NISSA database: an analysis of the NISSA database will be undertaken (outside of the scope of this consultancy) to assess demographic and other relevant characteristics of CGP and PA households for a successful identification strategy. Based on the analysis, the Consultant will establish how many individual eligible beneficiaries can be selected as part of the households covered by CGP and PA and how many will need to be selected outside of these programs;
- Selection of beneficiaries at the council level will be organized by the Consultant on the basis of eligibility criteria defined in the Operations Manual. Basic eligibility criteria should include: being in working age; being economically active or inactive but able to work; being part of a poor household (NISSA classification poor). Minimum quota for each council will be defined in the Operations Manual.
- If in a council, the number of applicants is higher than the available spots, the beneficiaries will be randomly selected among all eligible ones. A total number of 5,000 beneficiaries is expected for the EIP (in a total of 2 cycles).

In particular, the tasks of the Consultant at this stage will be:

- Propose and finalize, together with WB and MoSD eligibility and selection criteria, as well as the process to be undertaken;
- Work with MoSD to identify an initial list of potential beneficiaries picked from MoSD available databases by applying welfare score (PMT or other) around the poverty line (slightly below and above the poverty percentile)³ and propose how to include those not included in any social assistance program, if needed. This can be done using the same targeting system for cash

³ This process can be adapted or modified in agreement with MoSD and WB. Another option is to use community based selection through applying PRA (participatory rural appraisal) or Wealth Ranking methods.

transfers program in each community to have an initial list of potential beneficiaries with productive capacity;

- Profiling exercise on the initial list to select the most appropriate beneficiaries for the EIP;
- Apply, if needed, randomization methods⁴ to select final beneficiaries;
- Communicate to the selected beneficiaries through telephone (text and follow-up calls) or in person, to inform them of their selection in the Program and their timeline;
- Conduct a brief needs assessment on the targeted beneficiaries and document the gaps found: an assessment of each participant beneficiary will help determine the assets, skills, knowledge, and experience of beneficiaries and identify any skills or knowledge gaps that might hinder effective livelihood engagement. Participants will select a livelihood activity given their interests and abilities and provided a market aperture exists.
- Present the EIP offerings to beneficiaries and advise them on how to select the most appropriate livelihood option based on the needs assessment and/or through basic attitudinal or other type of tests.

Phase 3 deliverables:

Applicants database: Database of all submissions received at the end of each application round. Identification of eligible applications using Operations Manual. This dataset should include the information collected in the application form using appropriate coding. Deadline: 12 months since inception for first cycle; 25 months since inception for second cycle. Format: electronic.

List of selected beneficiaries: The database of selected beneficiaries will be shared with the PFU, the MoSD and the World Bank, together with a report on how the selection of beneficiaries was carried out, including key numbers and demographics. Deadline: 12 months since contract signature for first cycle; 25 months since contract signature for second cycle. Format: electronic.

Report of needs assessments and profiles and mitigation strategies: the assessment of each participant with a brief description of assets, skills, knowledge, and experience of identified beneficiaries and any skills or knowledge gaps that might hinder effective livelihood engagement will be prepared by the Consultant. Quantitative and qualitative data will be collected to be used alongside beneficiary administrative data to create beneficiary profiles and draw linkages between individual profiles, constraints, preferences and labor market outcomes. This will help understand the background, characteristics and motivations of the beneficiary pool, and their sources of vulnerability and economic opportunity, which will inform the design of an appropriate package of economic inclusion services. The report will include the following elements:

- Identify at least 5-8 diverse livelihood options that have the greatest potential, in terms of viability, appropriateness, and ultimately sustainability, and that can be managed by target beneficiary households with limited resources and skills.
- Identify barriers faced by the target beneficiary group, in current livelihoods, as well as potential barriers that would need to be addressed in adopting recommended livelihoods, particularly in accessing inputs and supply chains, child care burdens, social norms, mobility restrictions, special needs, and skill gaps.
- Identify potential risks in adopting recommended livelihoods along with risk mitigation strategies.

⁴ In case an impact evaluation will be carried out separately under another consultancy on the beneficiaries of this EIP, the Consultant will adapt its activities to meet the needs of the evaluation and will collaborate with the evaluation and enumerations teams.

Deadline: 12 months since inception for first cycle; 25 months since inception for second cycle.

Phase 4 – Economic Inclusion package delivery (service delivery preparation and delivery)

Phase 4a: Curriculum development/adaptation for both trainings, ToT and trainers recruitment, training delivery

The Consultant will develop a curriculum for both the technical training program and the soft skills training for selected beneficiaries. The program will include both theoretical and practical material. The program should be flexible to facilitate adjustments to take into account implementation adjustments. The changes will be based on assessments, targeted interviews with participants and feedback from stakeholders. Topics, themes and activities to be covered in the program are as follows (please note, this list is tentative and subject to change taking into account the Consultant's proposal):

Technical training:

Training material will be based on international best practice and will need to be adapted to local context, be culturally sensitive and use heuristic methods and rules of thumbs to be easily understood and learnt also by low educated people. Trainings contents will include basic transversal technical skills needed to manage a small business, covering the basic steps of a typical business management process. The main purpose of this part of the training is to build knowledge and skills to be able to start and run their own business, to generate more income, increase savings, and be able to invest more in the beneficiaries and their family's wellbeing. Module might include business, financial, digital literacy, to teach household budgeting and finance, help understand what a business is, identifying business opportunities through market research; development of (innovative) products or services; to decide what business is right for everyone. It will also teach important skills and knowledge on how to plan and manage a business - the resources needed, how to deal with competition and customers, how to do record keeping, how to identify potential risks to the business and ways to mitigate them, and how to grow the business. such as:

The consultant in this phase is expected to:

- Prepare a logistics plan, including identification of physical spaces and provision of necessary equipment for all Program activities;
- Provide all materials and documents to be used by beneficiaries;
- Trainer recruitment for both technical and soft skills training and planning the Training of Trainers (ToT);

The Consultant is responsible for hiring and payment of trainers. The Consultant will identify and recruit appropriate trainers with experience in these type of trainings in similar contexts and possibly in multiple countries. The Consultant will organize a training of trainers (ToT), delivered by the selected trainers to locally recruited trainers. The CVs of each trainer delivering the ToT should be approved by the PFU and the World Bank. The ratio between trainees and trainers should be adequate to ensure learning and active participation by all groups of beneficiaries. Appropriate monitoring and quality control of trainers will need to be established by the Consultant.

Soft Skills training:

Training material will be based on international best practice and will need to be adapted to local context and be culturally sensitive. In particular, the curriculum should include modules that are tailored to vulnerable youth including those out of the labor force (inactive or long-term unemployed). Curriculum should include – among others - modules on the following:

- Introduction to entrepreneurship, which aims to develop entrepreneurial traits and behaviors, emphasizing the socio-emotional skills needed to successfully seize business opportunities to grow the business.
- Examples of successful start-ups and best practices for entrepreneurs;
- Assessing the entrepreneurs' skills and interests;
- Practical application of a business idea;
- Future-thinking: how to anticipate potential setbacks and opportunities and prepare for them now
- Overcoming barriers, being persistent when problems occur and embracing them as a chance to learn and to develop.
- Building strong entrepreneurial teams and recruiting collaborators;

Additional modules on gender specific constraints and dynamics will need to be developed based on best practices and international experiences. Modules can include the following – among others:

- Perception of women as entrepreneurs, and the conflict between women's role as entrepreneurs and their other social roles;
- Overcoming gender stereotypes ;
- Women in their entrepreneurial and social ecosystem;
- Sessions for female participants might include husbands or significant others in order to facilitate acceptance for the training.

The Consultant is encouraged to incorporate elements of “personal initiative”⁵ training and other type of socio-emotional skills training.

The training will include a module on Gender Based Violence (GBV), and will be delivered by one or more appropriate identified trainer/s.

The consultant in this phase is expected to:

- Prepare a logistics plan, including identification of physical spaces and provision of necessary equipment for all Program activities;
- Provide all materials and documents to be used by beneficiaries;
- Trainer recruitment for both technical and soft skills training and planning the Training of Trainers (ToT);

The Consultant is responsible for hiring and payment of trainers. The Consultant will identify and recruit appropriate trainers with experience in these type of trainings in similar contexts and possibly in multiple countries. The Consultant will organize a training of trainers (ToT), delivered by the selected trainers to locally recruited trainers. The CVs of each trainer delivering the ToT should be approved by the PFU and the World Bank. An appropriate method and the process to select the best local trainers should be

⁵ Please see relevant material here: <https://pi-training.org/>

developed, and agreed upon with the PFU, MoSD and the World Bank. The ToT has also the function of testing the training material and adapt it further if needed. The ratio between trainees and trainers should be adequate to ensure learning and active participation by all groups of beneficiaries. Appropriate monitoring and quality control of trainers will need to be established by the Consultant.

Delivery of both technical and soft skills training is expected to last up to 4 and 6 months respectively, and it should be relatively intensive (no less than 10 hours per month of training per beneficiary).

Phase 4a deliverables:

List and CVs of all trainers recruited to implement the ToT. Bio and CVs of trainers should be provided and approved by the PFU and the World Bank. Deadline: 13 months since inception for the first cycle and 24 months for the second cycle. Format: electronic.

List and CVs of all locally recruited trainers. Bio and CVs of trainers should be provided and approved by the PFU and the World Bank. Deadline: Deadline: 13 months since inception for the first cycle and 24 months for the second cycle. Format: electronic.

Final curriculum for technical training and soft skills training: the final materials, curriculum and programs of both technical and soft skills training should be presented and approved by the PFU, the MoSD and the World Bank. Deadline: 11 months since inception. Format: electronic.

Report on the ToT and selection of trainers: an interim report summarizing the outcomes of the ToT, main challenges and lessons, key numbers on the process, and recommendations should be produced and submitted to the PFU for validation. Deadline: 13 months since inception for the first cycle and 24 months for the second cycle. Format: electronic.

Evidence of the implementation of the trainings according to the plan. The Consultant must present acceptable evidence to the PFU of the implementation of the trainings through signed lists of the participants, photographs of the training, etc. Deadline: after the trainings, expected to happen after 18 and 31 months for the two cycles respectively since inception. Format: electronic.

Phase 4b: coaching, group savings, access to market and referrals:

The consultant will map all village savings and loans groups/associations (VSLA) and organize beneficiaries to either join those existing groups (if not already part of them) or set up new ones for beneficiaries to join. Participation is open to all household members. The Consultant will also hire the trainers to conduct the financial literacy training, where not present in the VSLA and as needed. The Consultant will suggest the best way of organizing coaching, group savings and financial literacy training as well as referral services in a way that is efficient for the participants and encourage participation, learning and exchange of experiences. The main tasks of coaches/mentors/facilitators are:

- Conduct regular visits to each household;
- Guide project participants in the planning, selection, and implementation of an economic activity;
- Reinforce training messages and provide technical and life skills support
- Coach and guide beneficiaries all along the two-year program, encouraging participation, good use of resources and services offered
- Assist with any problem emerging, including referring to appropriate GRM system and other appropriate referral mechanism

- Act as business mentor for accessing potential market and business opportunities
- Proactively seek business and market opportunities both within the community (by promoting exchanges among beneficiaries) and outside, linking them with opportunities at the council or district level
- Ensure active participation of beneficiaries in VSLAs and in trainings, and ensure they put in practice content learned
- Refer beneficiaries and household members to relevant services

The Consultant is responsible for hiring, onboarding and payment of mentors⁶, in coordination with MoSD. The mentor/facilitator/coach will guide beneficiaries through the two-year program as they graduate to sustainable livelihoods and resilience. Coaches can be recruited among the local communities. Regardless, they need to be trusted and knowledgeable about local economic opportunities. The consultant will organize a brief onboarding session and a short training of coaches to perform their tasks in the best way possible and abiding to the highest standards of ethics. Mentors will have to visit participants regularly and help link participant households to program activities and other services.

It is encouraged the presence of women facilitators, to ensure a gender balance.

Basic requirements for the hiring of coaches/mentors/facilitators are:

- Previous experience in entrepreneurship and/or community training and or community facilitation
- Good communication skills and networking capabilities;
- Be charismatic and have non-traditional views on gender roles.

Phase 4b deliverables:

Database of selected mentors/facilitators/coaches. Deadline: 10 months since inception for the first cycle and 22 months for the second cycle. Format: electronic.

Database of selected trainers for the financial literacy training. Deadline: 10 months since inception for the first cycle and 22 months for the second cycle. Format: electronic.

Protocols and ethic and business conduct for mentors: the Consultant will prepare protocols that are needed to conduct the mentoring activities, as well as the tasks and activities related. The protocols will be submitted for review to the PFU, the MoSD and the World Bank for validation. The ethic and business conduct will have to be signed by all mentors and submitted to the PFU. Deadline: 10 months since inception for the first cycle and 22 months for the second cycle. Format: signed electronic or hard copies with all mentors' signatures.

Phase 4c: grants delivery

The 5,000 beneficiaries will benefit from a grant, in an amount that corresponds to about US\$ 300-400. The grant can be disbursed in tranches (not more than 2), based on needs assessment with pre-defined goals to be achieved before the next tranche is released.

⁶ Mentor is used here interchangeably with facilitator and coach to highlight the multiple role they can play.

The activities covered by the grant could cover either capital expenditures or operating expenditures. They need to relate to making investments into business growth and development and not be used as consumption support.

The use of the funds is limited to non-black listed items and should be agreed upon between the Consultant and the business coach, in line with Operations Manual procedures. Audit on samples of beneficiaries will be conducted by the PFU, the World Bank or by third parties.

The Consultant will advise when disbursements are to be made and to what accounts, and will ensure that accounts (either Bank account or mobile money accounts) coincide with beneficiaries as identified by their ID. The budget for the grants is not included under this consultancy. The Consultant will advise the MoSD when to make disbursements to beneficiaries as advised by the coaches, in one or two tranches.

Phase 4c deliverables

Payments to beneficiaries. Database of beneficiaries including payment triggers and disbursement schedule. Evidence that payments were made to the right people in the right tranches. Deadline: 19 months after the start of the contract for the first cycle, 32 months for the second cycle.

Phase 5: monitoring and evaluation, quality assurance and feedback mechanisms including the GRM

The Monitoring and Evaluation (M&E) system for the EIP will be aligned with the overall objective of increasing income and resilience for targeted beneficiaries and their households. The Consultant will develop a rigorous Monitoring plan and mechanism for tracking project activities over the course of the program lifetime, and regular information on beneficiary businesses and implementation of their ideas. The Consultant is expected to identify existing sources of data as well as methods for collecting necessary data. The Monitoring plan should adhere to the “SMART” principles for maximum efficacy and efficiency.

Program targets:

- Minimum 5,000 beneficiaries receiving technical and soft skills training;
- Minimum 5,000 receiving grants for business investment;

The Consultant will closely monitor progress of the program and its participants according to the Monitoring Plan. The Consultant should maintain a consistent and high participation rate and record attendance at every session of the training program and the other activities. If absent, the Consultant should immediately contact the missing participant to determine the reasons for his/her absence. This will be done in a motivational approach so that the person can participate in other days. Implementation reports will be shared with the PFU and the World Bank at the midpoint and end of the program.

If considered useful by the MoSD and the World Bank, the Consultant will collaborate with them on impact evaluations on specific components/for specific groups.

The Consultant will also develop and implement a Grievances and Redressal Mechanism (GRM) according to best practices in order to ensure that beneficiaries, members of communities and others can file their complaints and that the complaints are dealt with in the most appropriate way. The grievance system must be made available in a transparent way in various media (paper, electronically, etc.). The GRM should add but be interconnected with the overall Project GRM.

The GRM must ensure that complaints received are promptly reviewed in order to respond in a timely manner to the needs of the program. The Consultant must develop a process to properly respond to complaints. This process, as well as how people can complain requires approval from the MoSD and the World Bank. Any incident that can relate to GBV or other forms of violence should be immediately communicated to the MoSD and World Bank team.

Communities and individuals affected by the BPC may also submit their complaint to the BM's Independent Inspection Panel, which determines whether there has been damage, or could occur, as a result of the World Bank's non-compliance with its policies and procedures.

Phase 5 deliverables:

Mid-term report. The mid-term report will highlight key issues in implementation and early findings and lessons. It should be a brief overview of key activities undertaken by the Consultant, a summary of the program and services delivered, highlighting ongoing or new challenges, and achievements, and include data on attendance, participation, and performance for all participants for all activities. The goal of the mid-term report is to flag any issues that should be remedied before the program ends. Deadline: Due 19 months from the start of the contract. Electronic Format.

Final report. A comprehensive report on EIP activities and outcomes will give a review of the program implementation, pointing to the reach and coverage of the outreach phase, reflections on the nature and quality of the applicants, the experiences and perspectives from delivery of training and other activities. The final report will include data from the M&E component. The goal of the final report is to document the experiences and lessons of the EIP, informing the ongoing project as well as future interventions. Data on all program outputs and outcomes as described in this TOR, covering beneficiaries from start to finish. Deadline: 33 months from the start of the contract. Electronic Format and hard copy/ies as needed.

Grievance Redressal Mechanism. The Consultant will propose a Grievances and Redressal strategy that allows easy access and confidentiality to those who complain. Deadline: 6 months after the start of the contract. The Consultant will present evidence of the implementation of this strategy. Electronic Format.

Report on the number of complaints received and processed. The Consultant will present evidence of the implementation of the GRM strategy and prepare a report of complaints received throughout the EIP implementation and how they were resolved or not, as well as their status at the end of the program. Deadline: At the end of each year of the contract, expected at 12 months, 24 months and 36 months. Electronic Format.

Phase 6: Government capacity building

The Consultant will be responsible for developing and implementing a strategy to support the MoSD to incorporate internal competencies to manage Economic Inclusion programs and other programs with similar elements. The MoSD will identify a team responsible for the EIP who must receive information, skills, technical instruments, and software to be able to implement a EIP or similar programs in the future. The Government may also propose the inclusion of members from other ministries. In line with the Consultant, the number of members of the Government's technical team must be appropriate to be manageable and adjusted.

The capacity building should include at least the following elements:

- MoSD team's involvement in all phases of the implementation of the EIP including to revise documents or provide inputs whenever necessary;
- Specialized training on EIP;
- Sharing of software tools that can be useful for the management of the EIP, including the development of NISSA modules related to beneficiaries of this program;
- Sharing, discussion and appropriation of operations manuals, methods of ensuring transparency in processes, among others;
- Any other idea of capacity building according to the Consultant's experience, including visiting other programs in other countries, as long as acceptable within the Project budget (outside of the contract under this ToR).

The Consultant will build government capacity such that: a) the capacity of government staff is sufficient to effectively supervise the EIP, the Community Development department has capacity to manage the EIP monitoring and evaluation system and utilize the capacity building materials; c) MoSD has identified the optimal staffing structure for the project at national level; and d) the Community Development department has the tools and systems to launch EIP in new community councils or for more cycles/beneficiaries.

Phase 6 deliverables:

Strategy for building Government capacity in the management of EIP. The Consultant will propose a comprehensive strategy to deliver capacity building during the life of the project. This strategy must take into account the specific skills of the technical team identified by the MoSD. Deadline: 9 months after the start of the contract.

Capacity Building Report. The report will highlight efforts made to achieve objectives and increase the skills of MoSD at central and local level in the management of EIPs. The report should highlight all the initiatives developed and reflect on the successes and challenges in implementing these initiatives. Deadline: 32 months after the start of the contract.

VI. Client's Input and Counterpart Personnel

(a) Services, facilities and property to be made available to the Consultant by the Client

- The Client will not provide any office space or equipment to the consultant. The consultant should budget for all the associated costs.

(b) Professional and support counterpart personnel to be assigned by the Client to the Consultant's team

- Senior Community Development Officer (1)
- District Community Development Officer (5)

VII. Technical Selection

The Consultant recruited may be a single firm or consortium. The selected firm must demonstrate sufficient experience and capacity in managing economic inclusion, training and/or community development activities. The following experience and capabilities will be assessed:

- Experience (at least 5 years) in designing, implementing and monitoring of economic inclusion programs, trainings of entrepreneurs or youth, community development activities or other related, in a developing country context, preferably in sub-Saharan Africa;
- Experience in managing economic inclusion programs is an advantage;
- Experience in implementing large-scale programs;
- Experience in Lesotho or in consortium with companies with that experience is an advantage;
- Strong understanding of the operational and economic environment of developing countries, with a preference for relevant experience working with local community ecosystem actors, particularly in Sub-Saharan Africa.

The selected Consultant team should comprise the following minimum members:

- 1) Project manager with a minimum of 10 to 15 years of experience in economic inclusion programs and/or training of youth or entrepreneurs, and/or coaching and mentoring as part of community development preferably in sub-Saharan Africa. The project manager must possess at minimum a Master's degree in economics or social sciences or in a related field. Likely staff inputs in person months: 12
- 2) Specialist(s) in community development, with a minimum of 5 years' experience in training, mentoring, facilitating and supporting youth and/or community members, preferably in sub-Saharan Africa. Specialist in community development must also possess at minimum a Bachelor's or Master's degree in social science or in a related field. Likely staff inputs in person months: 24
- 3) Specialist in local entrepreneurship, with a minimum of 5 years of experience in Lesotho in training, counseling, business development support and access to market. The local entrepreneurship specialist must also have at least a Bachelor's or Master's degree in Business Administration and Management or in a related field. Likely staff inputs in person months: 24
- 4) Specialist in environmental and social safeguards, with a minimum of 5 years of experience in Lesotho. The Specialist will be responsible for the management and mitigation of social and environmental impacts resulting from the implementation of the project, as well as for quality assurance of all processes. Likely staff inputs in person months: 6