



**Pan African Chamber of  
Commerce and Industry**



**AFRICA  
PRIVATE SECTOR  
SUMMIT**

**Terms of reference for a study on**

**African Education Trust Fund  
Design & operational guidelines**

**October 2022**

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## Request for Proposals (RFP)

### Request for Proposals AETF design and operational guidelines

Dear Sir or Madam,

The AETF Founding Group, hereinafter referred to as “AETF”, is issuing a Request for Proposals (RFP) to design an AETF and to develop operational guidelines. The attached RFP and Terms of Reference contains all the necessary information for interested Offerors.

The goal of the Group is to establish and maintain partnerships between higher learning institutions and industry to strengthen learning Institutions-Industry collaboration vital to Africa’s development.

This service is funded by the Pan African Chamber of Commerce and Industry (PACCI) and the Association of African Universities (AAU) to put in place the institution that promotes and manages collaboration between universities and industry to contribute to the development of the continent

Consulting firms and consultants, should indicate their interest in submitting a proposal for the anticipated agreement by sending an email indicating their intention to [wmuthini@pacci.org](mailto:wmuthini@pacci.org) and [secgen@aau.org](mailto:secgen@aau.org) by midnight (CET Time) on 30<sup>th</sup> November 2022.

Interested Offerors can submit their questions to the same emails above.

All offerors are expected to exercise the highest standards of conduct in preparing, submitting and if selected, eventually carrying out the specified work.

## 1- BACKGROUND & RATIONALE

In the past, some large companies ran their own internal post-doctoral programs without any concrete connection to an academic research group or they sponsored PhD students for philanthropic reasons but without getting directly involved in the students' progress.

A more attractive model is emerging: The company funds or co-funds PhD candidates or postdoctoral researchers studying difficult scientific problems or new areas of technology of interest to the company, and its scientists or engineers co-mentor the researchers with faculty members. If something promising emerges, then more funding is forthcoming either directly from the company or via a collaborative proposal to a government agency by the university and the company.

Both learning institutions (LI) and industry can derive benefits from partnerships. For LI, these partnerships provide financial support for the educational, research, and service missions; broaden the experience of students and faculty; identify significant, interesting, and relevant problems; enhance regional economic development; and increase employment opportunities for students. For industry, such partnerships provide access to expertise they did not have; aid in the renewal and expansion of technology; improve access to students as potential employees; expand precompetitive research; and leverage internal research capabilities

Presently, there is no long-term financial mechanism at the continent level to support Lel-Industry management, but the need for such tools have been long identified as a priority.

The resources made available by the donors in the Trust Fund will not be sufficient to enable all substantial and sustainable improvements to be made to the continent wide African Public and Private Higher and TVET education Systems. Therefore, the prioritization of strategically planned activities and associated fundraising are important aspects of the operation of the Trust Fund. The first tranche of funding will be partially utilized to raise the level of funding in the second and third tranches to substantial levels both directly and indirectly. Also important is that the funds so secured should be put into higher interest bearing but secure investments until deployed into the actual rebooting work.

The African Private Sector Summit (APSS) has envisaged during its second series in Accra, Ghana, several measures that will propel the unification of all African Countries and the effective implementation of AfCFTA. One of the key elements is the need for reforming African Higher Education and TVET systems highlighting the need to establish a regional financial mechanism to support the sustainable financing of the AETF to promote closer collaboration between education and industry. Following this recommendation, this initiative was launched jointly by PACCI and AAU via an MOU signed on March 2021. The general framework has been created for the Africa Education Trust Fund (AETF) and it is derived from the MoU between the Association of African Universities (AAU) and the Pan African Chambers of Commerce & Industries (PACCI) for rebooting African education for funding the changes in African infrastructure, curriculum, research, data development and other activities that are urgently needed to develop Africa as an economic powerhouse. The new rebooting is urgently needed to meet the human resource skill sets demand to transform Africa's resources and develop Africa as an economic powerhouse.

In 2022, the AAU, PACCI and APSS agreed to set up a committee of experts from academia and industry to lead the establishment of this AETF. The establishment of the Committee of Experts

initiative lays down the foundations for the creation of AETF to enhance the management effectiveness of the continent's learning institutions through improving their long-term financial sustainability and partnership with industry.

The consultancy service will focus on 2 components that are considered essential for the development of effective AETF:

- **Component 1:** AETF institutional strategy, governance structure, legal framework, financial structure and asset management
- **Component 2:** Operational guidelines and procedures for the AETF

## 2- OBJECTIVES

This consultancy service aims at:

- generating the enabling conditions for the creation and operationalization of this education trust fund through a participative process to inform and engage with key stakeholders.
- developing the appropriate framework and custom-made tools to design the grant-making entity (which may be or not be legally independent) ready to mobilize, manage, and invest funds from a range of sectors in order to support education-industry partnership in Africa.

## 3- SCOPE OF WORK

### 3.1 - Component 1: AETF institutional strategy, governance structure, legal framework, financial structure and asset management

The aim of this work package is to develop an overarching institutional strategy for the AETF and adopt the AETF's governance structure, legal framework, financial structure and asset management approach.

In this regard, stakeholder's engagement is key. This work will be done through a participatory process involving members of the Committee of Experts and other key stakeholders in the region. Dedicated workshops will be organized and facilitated to discuss and reach consensus on the main findings.

The implementation of this output will enable the Founding Group to make decisions about key structural and operational aspects of the AETF.

To do so, different options will be explored : 1)- an existing institution hosts the AETF (*an appropriate governance is suggested*) – 2 ) The host institution creates a specific AETF sub account (*with an appropriate dedicated board*) – 3) a separate entity is established

Those different scenarios will be presented, analyzed (SWOT) and shared with the Founding Group for final decision.

AETF risk management will be assessed and taken into consideration throughout this component.

The scope of work includes:

**3.1.1- The AETF's Institutional Strategy:** which describes its vision, mission, scope, objectives, capitalization targets (short, medium and long terms), strategies and action plan.

**Key questions include**

- ✓ What would mission success really look like?
- ✓ What problem does the entity seek to solve?
- ✓ How do the Founding members view the organization?
- ✓ How do beneficiaries view the organization?
- ✓ How it is uniquely positioned to achieve its mission?
- ✓ Which selection criteria will be used for financing by the AETF ?
- ✓ What critical success factors must be in place for the entity to achieve its goals?
- ✓ What outside factors are needed to achieve its mission?

**Key deliverables**

- ✓ Shared mission and vision statement
- ✓ Shared AETF principles and values
- ✓ AETF strategies (intervention strategy at continental and sub-regional levels )
- ✓ Key indicators of success
- ✓ 5 years strategic and financial plan

**3.1.2 - Governance model:** this includes composition, functions and responsibilities of the AETF's governing body (or bodies), as well as the content and role of its governing documents.

An Ethics and Conflict of Interest policy is needed to ensure fairness and a high standard of ethical conduct in the AETF's decision-making processes, protect the reputation and integrity of the AETF and its interests, and guarantee broad public trust and confidence in the AETF's decision-making and grant-making activities.

This policy will also include Donors Relations policy (due diligence process for screening and determining donor eligibility, based on the AETF's principles and values).

As example the governance structure below has been suggested by PACCI

- Governing body
- Board of trustees
- Finance and investment advisory committee
- Scientific and Technical advisory committee
- Donors committee

### Key deliverables

- ✓ Governing documents (Charter, by-laws)
- ✓ Board of Trustees and Specialized advisory committees ToR and composition
- ✓ Ethics and Conflict of Interest policy

#### 3.1.3 - Organizational effectiveness:

The human resource plan articulates the necessary skills and experience / review of key functions / internal versus outsourcing options analysis.

### Key deliverables

- ✓ staffing plan and job descriptions
- ✓ organizational chart
- ✓ capacity building/training needs

3.1.4 - Jurisdiction of the AETF & legal framework: to determine the jurisdiction where the AETF will be set up, an analysis of options will be conducted to compare tax benefits, governance restrictions, donor familiarity/comfort, etc., and make recommendations.

### Key deliverables

- ✓ Comparative views of applicable laws and regulations in jurisdiction most commonly used by trust funds worldwide
- ✓ Definition of AETF's legal status and structure
- ✓ "Compliance list" monitoring scorecard relating to legal, regulatory and contractual obligations

3.1.5 - Financial structure: Trust Funds are usually structured as endowments funds, sinking funds, revolving funds, or hybrid funds (a combination of the above funds).

It is envisioned that the fund will generate its own resources from different windows:

- **Endowment funds:** capital is invested and only revenue from investments is used to finance environmental activities.
- **Revolving funds:** receipt of new resources on a regular basis which can replenish or augment the capital of a fund and provide a continuing source of funds.
- **Sinking funds:** disburse entire principal and investment income over a fixed period of time (typically no more than 10 years).

The decision on the financial structure of the AETF will be defined by its objectives, capitalization targets and funding needs of the participating LIs. Ultimately major donors may determine financial structure options.

## Key deliverables

- ✓ Based on existing funding and expected financial projections, a mix of finance solutions will be considered and assessed in order to define the envisioned optimal mix of tools.

**3.1.6 - Asset management:** this includes defining the AETF's investment policy, fiduciary responsibilities and relationships with investors. As part of this output, the service will fine tune the AETF's investment principles - which must be aligned with the needs and objectives of the AETF and define the investment management structure and monitoring procedures of the AETF assets.

Global economic and financial problems may lead to reduced funding from international donors, and causes consistently lower returns on the endowment over the long term.

Thus, possible fluctuations in future returns will be taken into account in the design of the investment and grant making strategies

## Key deliverables

- ✓ Investment policy
- ✓ Investment guidelines
- ✓ ToR of financial advisor or investment management consultant to advise the investment committee on its asset management (*legal issues to be assessed*)

## 3.2 - Component 2: Operational guidelines and procedures

The aim of this component is to adapt/improve organizational effectiveness and planning and to develop the AETF standardized operational guidelines and policies.

The scope of work will include:

**3.2.1 - Fund allocation and grant-delivery mechanism:** to define: i) the granting procedures, the grant award process, including activities and beneficiaries eligibility criteria, selection process, and timeframe; ii) the guidelines for grantees, including reporting requirements, eligible costs, and financial obligations; and iii) the monitoring and reporting requirements.

## Key deliverables

- ✓ Manual covering grant making policies and procedures (including call for proposals, criteria for review and safeguards)
- ✓ Standardized grant agreement between AETF and grantees

**3.2.2 - Administrative guidelines:** Develop the operations manuals to cover AETF's administration, guide use of financial resources and auditing procedures (audit term of reference).

### Key deliverable

- ✓ Revised operational manual covering AETF administration (administrative, financial and operational topics)

**3.2.3 - Reporting, Monitoring, and Evaluation framework:** grantees report to the AETF on implementation of activities and management effectiveness, AETF management staff reports to the governing body on implementation of program activities while specific technical and financial templates exist for reports to donors or legal authorities.

There is a need for a standardized performance management framework that will aggregate results from grantees and take into account different level of reporting where the data collected and information derived from each level of reporting is additive and cumulative as one moves up the information chain.

### Key deliverable

- AETF performance management framework (in particular format, frequency, *SMART* management system)

## 4- Expected outputs of the study

### Component 1

Options for the AETF institutional strategy, governance structure, legal framework, financial structure, and asset management approaches are developed, analyzed (SWOT), presented and discussed.

A final consolidated report with the final options decided will be drafted in a language and style that potential investors respect detailing all the components within the scope of the work.

### Component 2

AETF operational guidelines and policies developed.

A final consolidated report will be drafted detailing all the components within the scope of the work.

## 5- Key elements for the methodology

The AETF Institutional Strategy will be developed in a participatory manner and validated by key stakeholders.

The Consulting firm is expected to:

- ✓ Take into account when relevant previous studies regarding sustainable funding for industry-LIs and Trust Fund design worldwide.
- ✓ Review all documents relevant to the A E T F project to acquaint themselves with the objectives.
- ✓ Discuss with Group of Founders and committee of experts to have their views on the study.
- ✓ Undertake consultations with key stakeholders and beneficiaries.



- ✓ Organize and facilitate stakeholders' meetings to discuss and reach consensus on the findings.

## 6- Format of deliverables

Inception, progress reports and intermediate deliverables will be in English OR French and submitted in electronic forms (standard Word for Windows format or power point for presentation; A4 size pages).

Final deliverables and reports will be in French AND English.

Executive summary reports and power point presentation will be drafted for all components in French AND English.

Logos to be included will be provided by AETF Founding partners.

## 7- Time frame & preliminary calendar

The assignment will have duration of 6 months maximum starting in December 2022 and ending in May 2023 at the latest.

The outputs will be presented to AETF Founding partners board in June 2023.

<u>Milestones</u>	<u>Outputs</u>	<u>Timeframe</u>	<u>Deliverables</u>
Kick-off meeting	<p>Methodological approach reviewed and confirmed :</p> <ul style="list-style-type: none"> <li>• Presentation of each team member</li> <li>• Schedule of activities</li> <li>• Key documents/studies</li> <li>• List of key stakeholders and M2PA members to consult with</li> </ul>	December 2022	<ul style="list-style-type: none"> <li>➤ Inception Report - format will be left at the discretion of the Consultant but should not exceed ten pages with an Executive Summary.</li> <li>➤ 2 pages leaflet summarizing context/objectives/methodology timeframe of the study</li> </ul>

1 <sup>st</sup> AETF Founding board consultation meeting*	Major activities undertaken on component 1 - Preliminary findings/issues  on the different scenarios presented for review and comments	February 2023	<ul style="list-style-type: none"> <li>➤ Report will at least include: the list of persons consulted; major activities undertaken, preliminary findings – intermediate deliverables</li> <li>➤ Summary report &amp; power point presentation</li> </ul>
AETF Founding board approval meeting*	Final report to be presented for validation by AETF Founding board for component 1  Options ( <i>SWOT analysis</i> )	March 2023	<ul style="list-style-type: none"> <li>➤ Final report &amp; final deliverables and inclusive of an Executive Summary</li> <li>➤ Summary report &amp; power point presentation</li> </ul>
2 <sup>nd</sup> AETF Founding board consultation meeting*	Major activities undertaken on component 2 - Preliminary findings/issues	April 2023	<ul style="list-style-type: none"> <li>➤ Report will at least include: the list of persons consulted; major activities undertaken, preliminary findings – intermediate deliverables</li> <li>➤ Summary report &amp; power point presentation</li> </ul>
AETF Founding board approval meeting*	Final report to be presented for validation by AETF Founding board for component 2	May 2023	<ul style="list-style-type: none"> <li>➤ Final report &amp; final deliverables and inclusive of an Executive Summary</li> <li>➤ Summary report &amp; power point presentation</li> </ul>
AETF Stakeholders / Donors Meeting	Final report for Components 1 & 2	June 2023	<ul style="list-style-type: none"> <li>➤ Executive summary report &amp; power point presentation for component 1 &amp; 2 to be presented to the members</li> <li>➤ Power point presentation</li> </ul>

\*Draft versions for comments need to be delivered in advance to guarantee a 10-day period for comments.

The Final Draft Reports are to be submitted to AETF Founding board one week before the deadline. AETF Founding board will give its definitive approval on the basis of the Final draft Report, but they reserve the right to have this report re-drafted by the consultant as many times as necessary.

## 8- Bids

Desired Profiles:

- At least 10 years of relevant experience are required
- Expert (s) in finance – ideally with a proven experience as Trust Fund design and management
- Expert (s) in Education Trust Fund
- Legal/Institutional Specialist
- Fluency in French & English is essential

application must include:

- CV (s) of the expert (s) and references (related to each of the components of the study)
- The proposed methodology
- The completion schedule (specific to each objective)
- The bid estimated budget detailing the allocation of funds to different tasks and for each work package and including, without limitation, personnel, travel, communication and logistics, and all equipment and / or supplies.

The candidate (consisting of one or more experts) must answer all the objectives stated in the brief. The candidate may subcontract one of the objectives to another provider (consisting of one or more experts). In this case, the applicant must submit a CV and references of the proposed subcontractors.

## 9- General scoring system of the offer

### Technical offer

The technical offer will be evaluated out of 100 points, based on the following criteria General experience and technical references: 60 points

The certificates submitted by the candidates will be evaluated according to their character, their number and their date of achievement:

- Type and number of similar studies led by the project managers (50 points):
  - Presentation of more than 3 studies: 50 points
  - Presentation of 2 or 3 studies: 25 points
  - Presentation of 1 study: 10 points
  - No certificate: 0 point
- Date of completion of the three most recent studies (10 points):
  - Within the last 3 years: 10 points
  - More than 3 years ago: 5 points

Methodology, organization and planning: 40 point

- The methodology of the study (30 points)

- Fully meeting the terms of reference and objectives of the study: 30 points
- Partially meeting the terms of reference and objectives of the study: 15 points
- Not meeting the terms of reference and objectives of the study: 0 point
- Organization and planning: 10 points

Candidates with technical offers scoring under 70 points are eliminated automatically.

Among the successful candidates, the best score is made equivalent to 100 points, the scores of the other candidates are then adjusted based on the following equation:

$$TSC = \frac{\text{Initial technical score of the candidate}}{\text{Best initial technical score}} \times 100$$

### Financial offer

Financial offers of the tenderers having a technical score of at least 70 points are examined.

The financial offers are first compared with the maximum budget available for the contract. Tenders exceeding the maximum budget allocated for the contract are considered unacceptable and are eliminated.

For the remaining bids, scores are assigned as follows: the lowest bid is given 100 points, and the other bids are awarded points according to the following equation:

$$PC = \frac{\text{Lowest financial offer}}{\text{Financial offer of the tender being considered}} \times 100$$

Thereafter, the best value offer is selected by weighing the technical score against the financial score on a 70/30 basis, according to the formula below:

$$N = 0.70 \times TSC + 0.30 \times PC$$

N: Final weighed score

TSC: Technical Score of the candidate concerned

PC: Price offered by the candidate concerned

The winning bid will be the one receiving the highest value for N.

A selection panel will evaluate the quotes/proposals received in relation to the stated criteria above. After the evaluation has been completed AETF Board will notify successful and unsuccessful bidders. A fixed-price contract will be established with the successful bidder in Euros or US dollars.

## 10- Chronological List of Proposal Events

RFP published	October 17 <sup>th</sup> 2022
Proposal due date	November 30 <sup>th</sup> 2023

Contact : [wmuthini@pacci.org](mailto:wmuthini@pacci.org) and [secgen@aau.org](mailto:secgen@aau.org)