

## Amendment to Request for Proposal

**Amendment number:** 1

**Reference Request for Proposal Number:** RFP-CATALYZE-217772-Edu-2021-0228

**Amendment effective date:** November 5, 2021

### **Description of Amendment:**

1. This amendment serves to modify the Closing Date and Time of the subject RFP. The original Closing Date and Time was **November 5, 2021**.

This Amendment serves to extend the Closing Date and Time to **November 19, 2021 at 5:00 p.m. EDT**.

All other terms and conditions remain unchanged.

[Request for Proposal \(RFP\)](#)

Subject RFP #:	CATALYZE-217772-Edu-2021-0228 (Amended)
RFP Issue Date:	October 14, 2021
Terms of Reference / Specifications:	Market Assessment of non-state education sector in Somalia
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Country of Performance	Somalia
Closing Date and Time	November 19, 2021 at 5:00 p.m. EDT
Questions Deadline	<input checked="" type="checkbox"/> Accepted at <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a> by October 18, 2021 at 17:00 EDT <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: Electronically: email to <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a>
Offer Validity Period	Two (2) months

Thank you for your interest in the above procurement. As implementer for the CATALYZE Innovative Blended Finance Project funded by United States Agency for International Development (USAID), Palladium invites you to submit a proposal for the scope of work attached in Attachment A. Your proposal must be valid for the Validity Period stated above. Both Individuals and firms are qualified to submit an offer in response to this solicitation.

Please email your notice of intention to submit a proposal by the Questions Deadline. Answers to questions shall be distributed to all offerors that have indicated an intention to submit a proposal by the deadline.

Please submit your proposal in accordance with the Details for Submission above by the Closing Date and Time. This RFP in no way obligates Palladium to award a contract nor does it commit Palladium to pay any cost incurred in the preparation and submission of a proposal. Palladium bears no responsibility for data errors resulting from transmission or conversion processes.

Yours sincerely,

CATALYZE Procurement Team

## Terms and conditions

### 1. Proposal Conditions

By submitting a proposal, potential suppliers are bound by these terms and conditions. Potential suppliers must submit offers with all details provided in English and with prices quoted in a single currency.

### 2. Proposal Lodgement

The Company may grant extensions to the Closing Time at its discretion. The Company will not consider any quotes received after the Closing Time specified in the RFP unless the Company determines to do so otherwise at its sole discretion.

### 3. Evaluation

The Company may review all proposal to confirm compliance with this RFP and to determine the best proposal in the circumstances.

### 4. Alterations

The Company may decline to consider a proposal in which there are alterations, erasures, illegibility, ambiguity or incomplete details.

### 5. The Company's Rights

The Company may, at its discretion, discontinue the RFP; decline to accept any proposal; terminate, extend or vary its selection process; decline to issue any contract; seek information or negotiate with any potential supplier that has not been invited to submit a proposal; satisfy its requirement separately from the RFP process; terminate negotiations at any time and commence negotiations with any other potential supplier; evaluate proposals as the Company sees appropriate (including with reference to information provided by the prospective supplier or from a third party); and negotiate with any one or more potential suppliers.

### 6. Amendments and Queries

The Company may amend, or clarify any aspect of the RFP prior to the RFP Closing Time by issuing an amendment to the RFP in the same manner as the original RFP was distributed. Such amendments or clarifications will, as far as is practicable be issued simultaneously to all parties. Any queries regarding this RFP should be directed to the Contact Person identified on the cover page of this RFP.

### 7. Clarification

The Company may, at any time prior to execution of a contract, seek clarification or additional information from, and enter into discussions and negotiations with, any or all potential suppliers in relation to their proposals. In doing so, the Company will not allow any potential supplier to substantially tailor or amend their proposal.

### 8. Confidentiality

In their proposal, potential suppliers must identify any aspects of their proposal that they consider should be kept confidential, with reasons. Potential suppliers should note that the Company will only agree to treat information as confidential in cases that it considers appropriate. In the absence of such an agreement, potential suppliers acknowledge that the Company has the right to disclose the information contained in their proposal.

The potential supplier acknowledges that in the course of this RFP, it may become acquainted with or have access to the Company's Confidential Information (including the existence and terms of this RFP and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person. If the potential supplier is required to disclose Confidential Information due to a relevant law or legal proceedings, it will provide reasonable notice of such disclosure to the Company. The parties agree that this obligation applies during the RFP and after the completion of the process.

### 9. Alternatives

Potential suppliers may submit proposals for alternative methods of addressing the Company's requirement described in the RFP where the option to do so was stated in the RFP or agreed in writing with the Company prior to the RFP Closing Time. Potential suppliers are responsible for providing a sufficient level of detail about the alternative solution to enable its evaluation.

### 10. Reference Material

If the RFP references any other materials including, but not limited to, reports, plans, drawings, samples or other reference material, the potential supplier is responsible for obtaining the referenced material and considering it in framing their proposal. And provide it to the Company upon request.

### 11. Price/Cost Basis

Prices or costs quoted must show the tax exclusive price, the tax component and the tax inclusive price.

The contract price, which must include any and all taxes, supplier charges and costs, will be the maximum price payable by the Company for the Goods and/or Services.

### 12. Financial information

If requested by the Company, potential suppliers must be able to demonstrate their financial stability and ability to remain viable as a provider of the Goods and/or Services over the term of any agreement.

If requested by the Company, the potential supplier must promptly provide the Company with such information or documentation as the Company

reasonably requires in order to evaluate the potential supplier's financial stability.

### **13. Referees**

The Company reserves the right to contact the potential supplier's referees, or any other person, directly and without notifying the potential supplier.

### **14. Conflict of interest**

Potential suppliers must notify the Company immediately if any actual, potential or perceived conflict of interest arises (a perceived conflict of interest is one in which a reasonable person would think that the person's judgement and/or actions are likely to be compromised, whether due to a financial or personal interest (including those of family members) in the procurement or the Company).

### **15. Inconsistencies**

If there is inconsistency between any of the parts of the RFP the following order of precedence shall apply:

- (a) these Terms and Conditions;
- (b) the first page of this RFP; and
- (c) the Schedule

so that the provision in the higher ranked document will prevail to the extent of the inconsistency.

### **16. Collusion and Unlawful Inducements**

Potential suppliers and their officers, employees, agents and advisors must not engage in any collusive, anti-competitive conduct or any other similar conduct with any other potential supplier or person or quote any unlawful inducements in relation to their proposal or the RFP process.

Potential suppliers must disclose where proposals have been compiled with the assistance of current or former the Company employees (within the previous 9 months and who was substantially involved in the design, preparation, appraisal, review, and or daily management of this activity) and should note that this may exclude their proposal from consideration.

Potential suppliers warrant that they have not provided or offered any payment, gift, item, hospitality or any other benefit to the Company, its employees, consultants, agents, subcontractors (or any other person involved in the decision-making process relating to this RFP) which could give rise to a perception of bribery or corruption in relation to the RFP or any other dealings between the parties.

### **17. Jurisdiction**

This RFP shall be subject to the laws of the District of Columbia, United States of America. The language of the arbitration will be English.

The Potential Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to

this RFP or the breach, termination, or invalidity thereof.

If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this RFP or the breach, termination, or invalidity thereof, shall be settled by mediation through the American Arbitration Association by filing a request for mediation with the AAA and the other party. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

## Company Information

Palladium is a global leader in the design, development and delivery of Positive Impact — the intentional creation of enduring social and economic value. We work with corporations, governments, foundations, investors, communities and civil society to formulate strategies and implement solutions that generate lasting social, environmental and financial benefits.

## Project Background

The CATALYZE Blended Finance Mechanism is a \$250 Million, 8-year contract (5-year base period, with a single 3-year option period) which uses a facilitated partnership model to craft solutions to crowd in \$2 Billion in blended finance – the use of catalytic capital from public or philanthropic sources to increase private-sector investment for sustainable development – in USAID partner countries. CATALYZE’s buy-in mechanism allows USAID Bureaus and Missions to efficiently deploy finance facilitation solutions that respond to the needs of specific sectors, issues, and geographies. Initial buy-ins focus on blended finance to implement sustainable education business models serving low-income communities, the focus of this market assessment.

The USAID CATALYZE EduFinance program develops private sector partnerships to facilitate innovations in financing and service delivery that increase access to low-cost, quality education. CATALYZE EduFinance mobilizes blended finance – the strategic use of USAID funds to increase private sector financing – to crowd in private capital into non-state schools and education enterprises in USAID partner countries. Private capital leveraged with funding from USAID will address the substantial funding gap to respond to the global need for increased access to quality education.

In the case of Somalia, CATALYZE EduFinance will identify ways to increase access to quality education in Somalia by engaging and improving capacity of non-state schools and mobilizing private capital (e.g. banks, MFIs, social and commercial investors, etc.). The primary objectives include first identifying: (a) opportunities, risks and structures for the private sector to increase private financing to the education sector in Somalia; (b) whether there is a market for financial products to enable children from low-income families to attend or complete primary or secondary education; (c) incentives for non-state schools to improve operational efficiency, increase enrollment (especially for marginalized children), and improve quality; and (d) ways to support to the Ministry of Education, Culture, and Higher Education (MoECHE) and Federal Member States’ Ministries of Education, and Ministry of Finance in further developing the regulatory environment of the non-state education sector. USAID will evaluate assessment findings and determine if and how to move forward with a buy-in to CATALYZE EduFinance in Somalia.

Note: There is no agreed upon typology for schools in Somalia. Recommend drawing from this [World Bank report](#), which differentiates schools by management system.

**Non-state education sector** is defined as schools (e.g. private, umbrella, not for profit, community-based, faith-based), after-school programs, pre-primary care centers, education enterprises providing tutoring, publishing and EdTech companies.

**Overview of Non-State Education in Somalia:** Somalia’s education system is fragmented by the country’s tumultuous past. In the absence of a central education authority between 1991 and 2006, non-state education providers, particularly private umbrella associations, emerged to fill the void. The current Somali education system emerged in 2012 with the establishment of the Federal Government of Somalia (FGS). While the government established free primary and secondary education as the basic right of all Somali citizens and has taken steps to standardize education across the country, there are far fewer government-run schools than non-state schools in Somalia. Over 55 percent of Somali children receive their education from non-state schools; in South-Central Somalia, over 90 percent of children are enrolled in non-state schools. Schools in Somalia are managed and funded in complex ways and the distinction between public and private is not clear cut. According to the MoECHE, school fees account for 70 percent of overall education funding to primary and secondary schools in Somalia and 89 percent of schools -- almost exclusively -- rely on school fees to operate.

## Purpose

The assessment will inform the potential design of an education finance activity in Somalia, should demand for education financial products be identified and willingness of FIs to invest in education in Somalia as well as addressing any key threats and risks.

A complete scope of work is attached as Attachment A.

### Type of Contract

Palladium intends to issue a Firm Fixed Price subcontract to the selected offeror.

### Anticipated Contract Period of Performance

November 15, 2021 – March 8, 2022.

### Place of Performance

The activities to be performed under this contract will take place in Somalia. See the Instructions for Submission of Cost Proposal for travel assumptions.

### Key Deliverables and Timeline

Deliverable #	Report and Deliverable	Acceptable Criteria	Deadline	Payment Amount
1	Workplan	Workplan: Gantt-style Microsoft Excel or Google spreadsheet as specified in Attachment A	1 week/5 business days from award date	10%
2	Stakeholder List for each stakeholder type	Microsoft Word or GoogleDoc as specified in Attachment A	15 <sup>th</sup> business days from award date	10%
3	Interview protocol	Microsoft Word or GoogleDoc as specified in Attachment A	15 <sup>th</sup> business days from award date	10%
4	Draft Report and Draft Presentation Slides	Microsoft Word and Microsoft PPT Presentation or Google Slides as specified in Attachment A	10 weeks from award date	30%
5	Final Report and 2-hour virtual Presentation	Microsoft PPT Presentation or Google Slides as specified in Attachment A	7 business days after receipt of Draft Report Feedback	40%

### Instructions to Offerors

Separate technical and cost proposals must be submitted by email no later than the time and date specified on the cover page.

#### 1. Technical Proposal

For the technical proposal, the offeror must submit:

(a) Cover letter with the following information:

1. Firm contact info and address
2. Type of company or organization
3. DUNS Number (Company must have a DUNS number or obtain one within 5 days of being notified of selection)
4. Signed by an authorized representative of the company

- (b) Background on the firm and relevant expertise (max 2 pages)
- (c) Past Experience Information/Capability Statement
- (d) Technical Proposal & Management Approach
- (e) Proposed work plan showing how the firm would execute this project including a timeline (max 2 pages)
- (f) Description of relevant projects previously performed by the firm, demonstrating expertise in market assessments (max 4 pages)

- (g) Contact details for three referees (max 1 page)
- (h) All supporting documentation specified below in the pass/fail evaluation criteria.

## 2. Cost Proposal

Offerors must submit a detailed budget breaking out all costs associated with the completion of this work. Cost elements to incorporate may include, but are not limited to: labor hours, transport and/or communication costs to conduct stakeholder interviews, indirect rates with substantiation, any applicable taxes or fees. Please see Attachment B for a sample budget template. The cost proposal consists of:

- (a) Budget in local currency and in Microsoft Excel with all formulas visible (unlocked)
- (b) All prices are to be inclusive of relevant taxes
- (c) Offeror should budget for: labor costs to complete the scope of work, communications costs to complete stakeholder interviews (at this time, travel should only be included in accordance with local guidelines for COVID-19 travel restrictions).
- (d) Accompanying Word Document with all cost assumptions and explanations

The selected offeror will be required to complete the Due Diligence Questionnaire and provide a DUNS number within 5 days of being notified of selection.

### Submission of Offers

Electronic proposals must be submitted by sending a technical proposal and a cost proposal with the RFP number in the subject line. The RFP No. is: **RFP-CATALYZE-217772-EDU-2021-0228**. Please ensure all required documents are attached.

Offers received past the deadline stated on the cover page will be deemed non-responsive and will not be considered for award.

### Evaluation and Award Process

Proposals will be evaluated using a best value trade off methodology. This is a three-stage process.

- (1) The first set of criteria is graded on a pass/fail basis. All proposals will be evaluated to see if the offeror meets the minimum eligibility qualification criteria. **Please provide supporting documentation for a, d, and e. If you are a firm and have a DUNS number, please include it in your proposal. If you do not have it, we will request for it within 5 days of being notified of selection.**

	Requirement	Supporting Documentation
(a)	For Firms: Must be a registered legal entity in Somalia for a minimum of one year.  For Individuals: must provide proof of citizenship or legal residency or a valid business visa which permits the individual to work in Somalia.	Firms: Copy of certificate or articles and memorandum of associate and Documentation of business registration  Individuals: Copy of passport or other government-issued ID with photo
(b)	For Firms Only: DUNS number	Provide the DUNS number or proof of applying for the DUNS number
(c)	Must not have any active exclusions from the working with the US government ( <a href="http://www.sam.gov">www.sam.gov</a> ), the UN (Sanctions List), or the US Department of the Treasury Office of Foreign Asset Control	N/A– Palladium will conduct a search of these databases as part of the due diligence process
(d)	Company cannot be a foreign government-controlled organization	Submit a certification signed by firm’s legal representative
(e)	Company must not have controlled interest held by a government, government agency, or agent thereof	Submit a certification signed by firm’s legal representative

- (2) If these minimum criteria are met, the offer’s technical proposal will be evaluated as follows:

<b>Evaluation Criteria</b>		<b>Points</b>
Team	Assessment team expertise in:	
	Non-state education or private education in low-income countries	20
	Inclusive finance or microfinance or blended finance in low-income countries, and	20
	Education in conflict and crisis environment	20
Background/ context	Background section demonstrating understanding of the assessment and context, identifying key issues and stakeholders that must be addressed in the assessment	15
Experience	Prior experience in conducting comparable assessments, including sample reports demonstrating market sizing skills, analysis skills to identify market opportunity and technical writing skills	15
Plan	Provide a work plan with a proposed timeline for completing key tasks, and a proposed list of stakeholders to be interviewed	10
	<b>TOTAL</b>	<b>100</b>

(3) The offeror's cost proposal will be evaluated for:

- Proposed total price, relative to other offers received
- Realism and reasonableness of the work to be performed
- Price reflects a clear understanding of the requirements
- Price is consistent with various elements of the technical proposal
- Compliance with USAID cost principles (select one: Non-profit entities – Cost Principles in 2 CFR 200 Subpart E or For profit entities – Cost Principles in FAR Part 31)

Palladium reserves the right to award under this solicitation without further negotiations. The offerors are encouraged to offer their best terms and prices with the original submission.

## **PROCUREMENT INTEGRITY AND ETHICS**

It is Palladium's Policy that no gifts of any kind and of any value be exchanged between vendors/contractors and Palladium personnel. Discovery of the same will be grounds for disqualification of the vendor/contractor from participation in any Palladium's procurements and may result in disciplinary actions against Palladium personnel involved in such discovered transactions.

## **Resulting Award**

This RFP in no way obligates Palladium to award a contract. Palladium may opt to select multiple offers in response to this RFP.

Any contract/purchase order resulting from this solicitation must be signed by both parties in order to be considered valid and in force. All costs associated with, but not limited to, production, preparation and/or delivery of goods or services, including deliveries, accepted by Palladium staff, without a fully executed (signed by both parties) contract/purchase order, are at the vendor's risk only. Palladium shall not pay for any costs, without limitation, associated with production, preparation or delivery of goods and/or services under this or any other contract/purchase order, which has not been signed by both parties.

If your proposal is successful, you will be required to enter into the Company's standard contract for the types of goods or services being provided. In the provision of the Goods and Services, you will be required to comply with the Company's policies, including (without limitation) its Business Partner Code of Conduct and any relevant client terms and conditions. Potential suppliers must also comply with the Company's Business Partner Code of Conduct in the submission of any proposals pursuant to this RFP.

If you are bidding as part of a joint venture, partnership or similar, please make this clear in your submission. Likewise, if you propose to subcontract any part of the goods or services provision, then disclose this fact within your submission. The Company may require additional information from you and approval for subcontracting will not be automatic as subcontractors will be subject to Palladium's Due Diligence process.



## Attachment A: Scope of Work

### CATALYZE EDUFINANCE SOW – Somalia Market Assessment

#### Company information

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*Note:* There is no agreed upon typology for schools in Somalia. Recommend drawing from the [2018 World Bank Study on Understanding the Role of Non-state Education Providers in Somalia](#), which differentiates schools by management system.

**Non-state education sector** is defined as schools (e.g. private, umbrella, not for profit, community-based, faith-based), after-school programs, pre-primary care centers, education enterprises providing tutoring, publishing and EdTech companies.

**Overview of Non-State Education in Somalia:** Somalia's education system is fragmented by the country's tumultuous past. In the absence of a central education authority between 1991 and 2006, non-state education providers, particularly private umbrella associations, emerged to fill the void. The current Somali education system emerged in 2012 with the establishment of the Federal Government of Somalia (FGS). While the government established free primary and secondary education as the basic right of all Somali citizens and has taken steps to standardize education across the country, there are far fewer government-run schools than non-state schools in Somalia. Over 55 percent of Somali children receive their education from non-state schools; in South-Central Somalia, over 90 percent of children are enrolled in non-state schools. Schools in Somalia are managed and funded in complex ways and the distinction between public and private is not clear cut. According to the MoECHE, school fees account for 70 percent of overall education funding to primary and secondary schools in Somalia and 89 percent of schools -- almost exclusively -- rely on school fees to operate.

## Goal

The goal of the market assessments is to:

- Build on the 2018 World Bank Study “Understanding the Role of Non-State Education Providers in Somalia” with an updated overview of the education finance landscape in Somalia, and analyze important trends in the non-state education and financial sector in the country (with particular attention to opportunities and challenges for expanding private financing for education in Somalia broadly)
- Identify opportunities and challenges for a potential education finance activity supporting non-state education in Somalia
- Provide programming recommendations to seize the opportunities and ways to address challenges
- Gather key insights from stakeholders from the Ministry of Education, Culture, and Higher Education (MoECHE), schools, umbrella associations, school owners, Community Education Committees, financial institutions, other education business service providers on the opportunities and challenges for increasing private financing for education in Somalia
- Identify investors or other private sector finance providers interested in investing in or lending to the education sector, particularly non-state schools, and products that encourage schools to increase access to children from poor backgrounds, with a particular focus on girls and children with disabilities
- Identify potential public-private partnerships to improve access, education quality, and equity
- Determine whether there is demand for financial products (such as low-fee loans) for school fees and loans for non-state schools to expand and/or improve quality
- Identify key stakeholders and private sector partners closely aligned with the goals of CATALYZE Edufinance
- Given that the reliance on school fees places the financial burden on parents and contributes to exclusion, identify alternative sources of funding for non-state schools and explore more sustainable business models for schools or ways schools can improve efficiency of spending
- Identify policy or programmatic options to improve coordination and oversight between government and non-state education providers
- Determine if there is demand for non-state education providers to provide accelerate basic education
- Identify and recommend ways to mitigate key threats and risks of the non-state education sector as well as the financial sector

The assessment will inform the potential design of an education finance activity in Somalia, should demand for education financial products be identified and willingness of FIs to invest in education in Somalia as well as addressing any key threats and risks.

## Methodology

The Assessments will take into account two frameworks: (1) [“The Affordable Non-State Schools in Conflict and Crisis Contexts” Conceptual Framework](#) (please refer to pages 38-48) and the Five-Point Framework (please refer to pages 22-28) of USAID’s [Mobilizing Private Finance for Development: A Comprehensive Introduction](#), published 2019, which represents the broad, systemic conditions in which a country’s finance sector operates. (see **Annex I**).

## Deliverables

The Consultant will complete the following tasks under this scope of work.

1. **Workplan:** Provide a document or spreadsheet with a timeline for completing key tasks.
2. **Stakeholder list and Interview Protocols:** Identify key stakeholders to interview based on the five-point education finance framework and report outline (**Annex II**). Stakeholders will include individuals and organizations with a social, financial, or legal interest in the non-state or private school sector as well as other key influential players and organizations in the non-state/private school and financing sectors. At a minimum, the stakeholders will include:
  - a. Federal Government of Somalia Ministry of Education, Culture, and Higher Education (MoECHE) -- divisions of quality assurance, planning, and private schools
  - b. Federal Member States Ministries of Education
  - c. Public Schools (given that some fees are associated)
  - d. Education Umbrella organizations

- e. Association of Private Schools
- f. Non-traditional education providers (Turkey and Egypt)
- g. Association of microfinance institutions (MFIs)
- h. Banks and MFIs
- i. Funders/investors who are already supporting or looking to support private education, e.g. social investors, private foundations, angel investors, diaspora groups, etc.

Additional stakeholders may also be identified later and added to the list with the approval or at the request of Palladium.

Interview protocol will be a list of interview questions based on the stakeholder type and relevant to the key questions (**see Annex III**) to be answered in the assessment. A draft interview protocol will be provided by Palladium. Each interview should be recorded in detail including data and precise information shared by the interviewee.

3. **Draft Report and virtual presentation on market assessment findings.** Information from the stakeholder interviews, contextual information on the Somalia education and financial sector, a review of the [USAID CDCS for Somalia](#), the [2018 World Bank Study the Understanding the Role of Non-State Education Providers in Somalia](#), and other secondary literature on the Somalia education sector will be used to write the Draft Report. The draft report should be submitted within 90 working days from commencement. After the draft report is submitted, the Contractor will make a 1-hour virtual presentation summarizing market assessment findings and preliminary recommendations.
4. **Final Report and virtual presentation on market assessment findings.** After Palladium and USAID approve and provide feedback on the Draft Report, the Contractor will incorporate all feedback into the report, research outstanding items, and provide a Final Report to Palladium. The Contractor will then, on dates set by Palladium, provide a 1-hour presentation of the findings to Palladium, USAID, and other parties invited at the discretion of Palladium and USAID. The presentation will be held within 30 days of the final report submission. The final report should be submitted within five working days of receipt of USAID comments.

**Specifications:** The Consultant(s) will submit the deliverables as per below specifications.

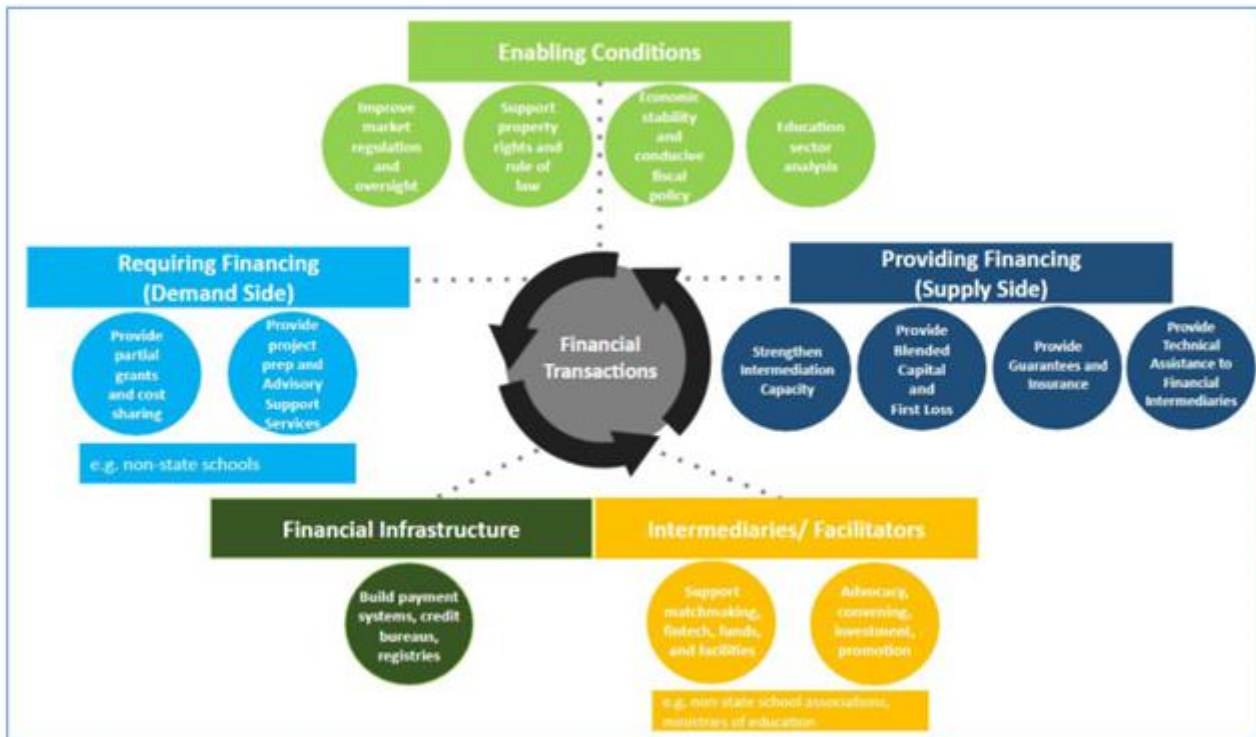
All written deliverables will be emailed to the designated Palladium contact by End of Day (local time) on the date specified in the contract agreement and will be in English, single-spaced Microsoft Word or GoogleDoc in 11-point Arial or Times New Roman font. The deliverables must be free of spelling and grammatical errors.

1. **Workplan.** Workplan will include a timeline for completing key tasks in a gantt-chart format.
2. **List of Stakeholders for each stakeholder types.** List of stakeholders will be a list of key informants and stakeholders who will be interviewed
3. **Interview protocol** will be a list of interview questions based on the stakeholder type and relevant to the key questions (**see Annex III**) to be answered in the assessment.
4. **Draft Report:** 20-25 pages (excluding Annexes) written report synthesizing study findings according to the outline in **Annex II**, key questions in **Annex III**, and including
  - a. Use the working definition found in the World Bank Study on the low cost and low-middle cost private schools in Somalia.
  - b. 2 (two) case studies of financial institutions currently offering loans to SMEs, if possible, including loans to private schools and loans for school fees. Case study should provide details on the loan products, credit methodology, overall scale and quality of the loan portfolio compared to other loan products offered by the FI, etc.
  - c. List of all interviewees and contact information and additional information for each category of interviewees:
    - (1) Schools: List of schools interviewed, sex of school owner and/or director, number of students, grade levels taught, fees charged per grade level, percentage of school fees that are unpaid, estimated graduation rate, estimated income level of parents, whether or not the school sought or obtained a loan, teacher qualifications, and the extent to which the government is involved in school activities.

- (2) Business Service Providers: List of service providers interviewed, name(s) of major investors, services offered, countries in which the service provider operates.
  - (3) Financial Institutions: List of financial institutions interviewed, name(s) of major investors, financial products offered, percentage of education loans in the total portfolio; average interest rate for school-related and SME loans; average size of school-related and SME loans.
  - (4) Donors, investors, and other funders involved in supporting non-state education in Somalia: list of names, organizations and their involvement in non-state education
  - (5) Other key stakeholders interviewed: list of stakeholders interviewed, their designation, and name of their organization, their role in the education sector, etc.
5. **Draft presentation slides:** Additionally, at the time of submission of the Draft Report, Contractor will submit a slide deck with 15-20 slides summarizing the key findings of the market assessment.
  6. **Final Report and 2-hour Virtual Presentation.** The Draft Report will be returned to the Contractor and Contractor will incorporate and respond to all Palladium requests and submit that updated Draft Report as a Final Report. Additionally, at the time of submission of the Final Report, Contractor will also submit final presentation slides summarizing the key findings of the market assessment. Contractor will present the findings of the report during two 1-hour presentations on Microsoft Teams or another platform at the request of Palladium.

## ANNEX I - Five-Point Framework for Education, adapted for education with risk analysis incorporated

Please refer to pages 22-28 of USAID's [Mobilizing Private Finance for Development: A Comprehensive Introduction](#), published 2019, graphic below shows framework as adapted for education



Source: Based on the original Five Point Framework developed by Deloitte

Please refer to [“The Affordable Non-State Schools in Conflict and Crisis Contexts” Conceptual Framework](#)

### Risk Analysis Section

In Somalia, conflict and crisis can impact key aspects of education including:

- student access and equitable inclusion;
- quality, safety and student well-being;
- finance and sustainability;
- accountability;
- Governance and management ( ie. Puntland education management outside of FGS)

First, the degree of access to education can either exacerbate conflict between demographic groups or build toward peace and social cohesion. Certain groups excluded from education based on socioeconomic status, language, geographic location, disability, ethnic identity, political affiliation or other thereby, potentially exacerbating existing tensions during ongoing conflict. Inclusive education can help balance equitable access and mitigate effects of increased tensions.

Secondly, quality is influenced by inputs that may include infrastructure, teaching and learning materials, and teacher training and attendance -- all of these features that may be limited in conflict-affected settings where you can often find temporary learning centers, shared materials with multiple students, irregular attendance and limited training opportunities. Outputs that are related to quality include student achievement on standardized tests, progression and dropout, and workforce readiness. Holistic well-being incorporates social and emotional learning options, psychosocial support for survivors of violence, the guarantee of safe learning environments, and safety in transit to and from school.

Third, finance and sustainability incorporates government, household and school financing of education. In conflict settings, household financing considers household affordability, utility-maximizing behaviors, and intra-household dynamics that can result in unintended, negative coping mechanisms to meet the household's financial

demand to maintain schooling. Sustainability refers to how schools are able to maintain or increase revenue over the long-run and considers the role of community, government, and international actors in supporting schools. Often, schools rely not only on financial resources but on the cooperation of parents and communities and a supportive policy environment.

Finally, when governments are involved in conflict dynamics or working to limit its effects it can strain accountability and limit government transparency, regulation, monitoring, and enforcement in non-state schools. Other areas of accountability that may be affected by displacement due to conflict measures include school compliance with regulation; cooperation between state and non-state actors; the assurance of the right to education and school responsiveness to households. To note, a common example in conflict-affected settings is the need for schools to charge fees to ensure sustainability which in turn, may prevent certain populations from schooling, thus deepening societal inequities.

## ANNEX II - Report Outline

The below report outline is based on the Five-Point Framework + Risk Analysis:

- a. Enabling Conditions
  - i. Market Regulations and Oversight, Property Rights and Rule of Law, and Economic Stability and Fiscal Policy
  - ii. Education sector analysis
    - (1) Regulatory and policy framework for non-state education (e.g. private schools)
    - (2) Status of non-State Education, demand for non-state schools and ancillary services, particularly in light of COVID-19
      - (i) Segmentation of non-state schools by fee or family income, proposed definition and rationale of a low cost private school that serves the underserved students
      - (ii) Segmentation of non-state ancillary services by type, size and which income market it benefits
    - (3) Teacher colleges, supply of trained teachers, teacher salaries
    - (4) How non-state schools budget
    - (5) Quality indicators in non-state schools
    - (6) FGS and FMS Education Development Funds
- b. Finance Seekers (Demand-Side)
  - i) Non-state school's, especially low-cost private school's, interest in and access to formal finance
  - ii) Non-state school fees, regulations applicable to school fees
  - iii) Parents interest in and access to finance for education
  - iv) Students interest in and access to finance for education
- c. Diasporal Networks, Finance Providers & Intermediaries (Supply-Side)
  - i) Diaspora Networks, who, what and how
  - ii) Credit supply and credit quality in the banking sector, average interest rates charged for retail/commercial credit
  - iii) Banks or non-bank financial institutions or Microfinance Institutions offering SME credit – average ticket size of loans, collateral accepted, interest rates, loan terms, credit quality, etc.
  - iv) Banks or non-bank financial institutions or Microfinance Institutions offering loans to non-state schools
    - (1) Product description (ticket size, interest rate, loan term)
    - (2) Types of collateral accepted
    - (3) Credit quality and growth potential
    - (4) Other donors or investors, both social and commercial, active in supporting non-state education in Somalia
- d. Financial Infrastructure
  - 1) Payment Systems, Credit Reporting Bureaus, Rating Agencies, and Asset (Collateral) Registries
- e. Facilitators & Disrupters
  - 1) Extent and Sophistication of non-traditional Financial Intermediation Systems, including digital payment networks
  - 2) Cost of making digital payments / transfers
  - 3) Presence of and potential for funds and facilities which may have appetite for education focused investment and/or debt financing.
- f. Educational, Financial, and Other Risk Analysis as it impacts the education and the finance sectors
  - i) Student access and equitable inclusion
  - ii) Quality, safety and student well-being
  - iii) Finance and Sustainability
  - iv) Accountability

- v) Lack of a stable, investment-conducive environment
  - vi) Corruption and other unethical business practices
  - vii) Terrorism
  - viii) Nascent or non-functioning systems
  - ix) Natural or humanitarian disasters
  - x) Mobility and displacement
- g. Summary of Findings and programming recommendations: Identify key opportunities and challenges for a potential education finance activity supporting non-state education in Somalia, and provide programming recommendations to seize the opportunities and ways to address challenges



### **Annex III - Key Questions that the Market Assessment must address**

(These are some illustrative questions based on the Five-Point Framework Tool adapted for education and risk analysis. Sub-contractor should select those questions that are most appropriate to (a) understanding the opportunities and challenges facing the non-state education sector in Somalia, and (b) identifying potential opportunities for expanding access and education quality in non-state education sector)

#### **Enabling Conditions:**

- What is the policy framework for overseeing non-state education providers?
- What is the position of the Government vis-à-vis non state education providers (private schools, faith-based and community schools)?
- What is the position of private education umbrellas in working with the Federal Member State and Federal Governments?
- What are the Government priorities for expanding access and quality of non-state education?
- Is there a government policy on mandatory schooling for children? Support for attending non state schools, e.g. vouchers?
- What has been the impact of Covid-19 on the education system? What steps have the Government and other funders taken to support the non-state schools during the pandemic?
- What are the top 2-3 policy enablers/facilitators to expand access and quality of non-state education? What are the top 2-3 policy-level challenges/barriers?

#### **Requiring financing:**

- Who can start a school? Govt registration/licensing requirements? Govt mandate on deciding school fees, curriculum, language, hiring teachers. Challenges in accessing financing, safety issues for girls?
- What do non-state schools require financing for (capital expenditure and working capital) and what is the expected size of financing opportunity (the amount of credit required by non-state schools) were financing available? What are the major costs for non-state schools?
- What in-kind support is provided? Is this an option for families or communities?
- Are non-state schools offering other courses to generate income? Does this interfere with the formal education system?
- Are the schools able to set their own fees? Typical fee collection schedule - monthly/quarterly? School Calendar
- Known structural issues in expanding non-state schools, e.g. high barriers for registration, restrictions on fee, public school teachers unions, Govt attitude towards private sector?
- Any known banks/MFIs extending loans to private schools? Loan product details and feedback from borrowers. Known donors/investors supporting private schools?
- What has been the role of private education umbrella associations in fostering non-state education?
- Why do parents, especially low income families, choose to send their children to a private school over a nearby public school?
- How do non-state schools attract students and finance? What mechanisms do they already have in place?
- Other education enterprises – distance learning companies, technology providers, Edtech and other ancillary education businesses
- What are additional fees/costs outside of school tuition that parents pay? i.e. uniform, examinations, textbooks etc.

#### **Providing Financing:**

- Examples of blended finance or private sector led finance solutions in the country? In which sectors is blended finance the furthest developed? Leading banks/institutions/stakeholders?
- Any known Banks or MFIs extending loans to non state schools? Details of loan products, portfolio quality, etc.
- Who are the leading banks and MFIs and other non-bank lenders in the country – by Assets?
- Who are the major players in secured/collateralized lending? SME lending? NBFIs? Mortgage finance?
- What are the average non-performing loans (NPL) levels in the Banks and MFIs in the country? Government policies helping/hampering loan recovery?
- Interest rates – are they market based? Ceilings/caps? Inflation-driven?
- Financial institutions (FIs, e.g. banks, microfinance institutions) sector performance trends and impact of any structural issues, e.g. – interest rate caps, subsidized Govt lending undercutting private players, loan repayment culture?

- What % of FI portfolios are in the Education sector? Which FIs are doing significant lending to non-state low fee schools? How do loans to education sector perform compared to other sectors?
- Are there lenders offering school fee loans? What is the average loan size? Are these paid directly to school or to parents/borrowers?
- Are there Islamic or other faith-based organizations offering funding to non-state schools?
- What are the top 2-3 enablers/facilitators in the financial sector to expand access and quality of non-state education? What are the top 2-3 challenges/barriers?

**Financial infrastructure:**

- What is the status of credit bureau/national ID/asset registry systems?
- What currency hedging solutions are available for foreign lenders?

**Disruptors / Facilitators:**

- What is the status of mobile payment systems/digital finance/fintech?
- What are options for generating resources through the Somali diaspora?

**Risks Analysis:** Given the Somalia context, key contextual risks that have direct implications on programming must be taken into account for the efficacy and sustainability of an activity. These are some illustrative contextual questions taken from [Rapid Education Risk Analysis Tool](#). Contractor should select those questions below that are most appropriate to identify the key threats and risks as related to the financial sustainability and learning gaps of the non-state education sector.

- What are the main risks in the country? For example, has the country been affected by conflict, natural hazards, organized crime and gang violence, political instability, or famine?
- In your opinion, what are the most important challenges or risks to education and the school community (students, teachers, etc.)?
- What risks or safety issues exist in the country, and which government institutions (if any) help mitigate these risks? Has the country or region undergone crises in its recent history or during past periods in its history (e.g. colonization) that continue to shape attitudes?
- What are the main demographic groups in the country? What are some of the inequality-related issues among these groups?
- What are the main reasons students drop out or are excluded from education? Are certain groups more affected than others?
- What are some of the ways that students can be helped to stay in school or be better served?
- Has the school community been affected by food insecurity, malnutrition, or famine? What happened to the school and students/ teachers? How did they respond? What was learned?
- What risks of incidental violence are students and teachers faced with when trying to get to or from school or when within the school itself? Do risks differ between boys and girls or men and women?
- Is the risk generally when students are within the school or when they are going to or from the school? Are there different kinds of risks depending on where the students are?
- What are the main reasons students drop out or are excluded from education?
- What are some of the ways that students can be helped to stay in school or be better served?