

TERMS OF REFERENCE

PROVISION OF SECTOR-SPECIFIC CAPACITY BUILDING AND IMPLEMENTATION OF THE IFRS SUSTAINABILITY DISCLOSURE STANDARDS

1. Introduction

Financial Sector Deepening Africa (“FSD Africa”) wishes to contract a consultant (the “Consultant”) to provide sector-specific capacity building and implementation of the IFRS sustainability disclosure standards (the “Services”).

The Services will involve *inter alia*: IFRS S1 and S2 implementation support in Ghana and Nigeria for the financial services, insurance and extractives sectors. Part of this support will involve capacity development for sustainability reporting.

2. Project Background

2.1. Project Context

FSD Africa, in partnership with the Pan-African Federation of Accountants (PAFA), Institute of Chartered Accountants, Ghana (ICAG), and the Financial Reporting Council (FRC), Nigeria is launching a strategic initiative to support countries that have made the decision to adopt IFRS Sustainability Disclosure Standards. This project aims to build capacity for effective implementation of these standards. The initiative addresses several key objectives:

- Supporting the effective implementation of IFRS S1 and IFRS S2 in countries that have chosen to adopt these standards;
- Building local capacity to apply international sustainability reporting standards in alignment with national regulatory frameworks;
- Enhancing the consistency and comparability of sustainability reporting across African capital markets; and
- Strengthening the ability of African companies to attract global investment through improved sustainability disclosures.

The project aims to create a model for effective adoption and implementation that can be adapted for other African countries as they choose to adopt these standards. Separate capacity building initiatives to support IFRS S1 and S2 adoption will be rolled out in Ghana and Nigeria.

2.2. About FSD Africa

FSD Africa is a specialist development agency established in 2012 by the UK Government working to make finance work for Africa’s future. We work on the ground in over 30 African countries to mobilise “green plus” finance that will power economic and social development while delivering environmental gains and building Africa’s resilience. We work on policy and regulatory reform, capacity strengthening and improving financial infrastructure, and addressing systemic challenges in Africa’s financial markets to spark large-scale and long-term change.

More about FSD Africa can be found here - <https://fsdafrica.org/>

2.3. About Pan African Federation of Accountants (PAFA)

PAFA is the continental organisation for the accountancy profession in Africa. Established in 2011 as a non-profit organisation, we have 57 professional accountancy organisation (PAO) members and associates from 46 countries in Africa, and affiliations with five international PAOs. With a vision of sustainable value creation to benefit the citizens of Africa, we work to strengthen the capacity and influence of the accountancy profession in Africa to enhance trade, the quality of services, and trust in institutions.

More about PAFA can be found here - <https://pafa.org.za/>

2.4. About Institute of Chartered Accountants, Ghana (ICAG)

ICAG was established by an Act of Parliament, Chartered Accountants Act 1963, (Act 170). The object of the Institute is to promote the study of accountancy; to regulate the accountancy profession and practice and to provide for related matters. It has the regulatory mandate to approve, adopt and promote the implementation of standards and its members are the only persons recognised under the Companies Act, 2019 (Act 992), for the purpose of audit of company accounts. It is governed by an eleven-member Council. Section 127 (5) b of the Companies Act, 2019 (Act 992), also requires companies to prepare their financial statements in compliance with International Financial Reporting Standards adopted by Institute of Chartered Accountants, Ghana or any other standards approved or adopted by the Institute.

More about ICAG can be found here - <https://www.icagh.org/>

2.5. About the Financial Reporting Council (FRC), Nigeria

FRC of Nigeria is a federal government agency established by the Financial Reporting Council of Nigeria Act, No. 6, 2011. It is under the supervision of the Federal Ministry of Industry, Trade and Investment. The FRC is responsible for, among other things, developing and publishing accounting and financial reporting standards to be observed in the preparation of financial statements of public entities in Nigeria; and for related matters.

More about FRC Nigeria can be found here - <https://frcnigeria.gov.ng/>

2.6. About Nairobi Declaration on Sustainable Insurance

The Nairobi Declaration on Sustainable Insurance (NDSI) is a declaration of commitment by African Insurance leaders to support the achievement of UN SDGs. NDSI is a coalition of over 225 insurance-related organisations dedicated to addressing the climate-related risks faced by Africa's most vulnerable regions by developing products and investment strategies that promote resilience against environmental shocks like floods, droughts, and other climate-related risks.

FSD Africa is one of the founding signatories of the NDSI and acts as NDSI's secretariat, a position from which it steers efforts, fosters synergies, and tracks advancements within the industry.

More about NDSI can be found here - <https://sustainableinsurancedeclaration.org/>

3. Project Objectives and Scope

3.1. Objectives

Workstream 1 - Ghana and Nigeria IFRS S1 and S2 Implementation Support

The primary purpose of the assignment is to design and deliver sector-specific capacity-building programs that will enable effective implementation of IFRS Sustainability Disclosure Standards (specifically IFRS S1 and IFRS S2). These will include sector players, PAOs and regulators.

In Ghana the capacity building will focus on the insurance and extractives sector whereas in Nigeria the capacity building will be targeted at the financial services as well as oil and gas sectors.

It is expected that the workshops will not only develop the skills and competencies of participants, but such participants should be capable of training others within their organisations. They thereby act as Train the Trainers workshops.

Workstream 2: African Insurance industry - IFRS S1 and S2 capacity building and pilots

To support the Nairobi Declaration on Sustainable Insurance (NDSI) members in piloting and implementing the IFRS S1 (Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures) standards, along with developing a capacity-building curriculum to ensure readiness and compliance across the insurance industry in Africa.

3.2. Scope of Work

Workstream 1 - Ghana and Nigeria IFRS S1 and S2 implementation support

A. Ghana

The scope of the exercise will involve:

- a) Needs Assessment and Planning:
 - Conduct a detailed needs assessment for the insurance and extractives sectors in Ghana regarding IFRS S1 and IFRS S2 implementation.
 - Develop a comprehensive training plan tailored to the specific needs of each sector.
- b) Training Material Development:
 - Create sector-specific training manuals, workbooks, and presentation slides.
 - Develop practical case studies relevant to the Ghanaian context.
 - Incorporate existing disclosure requirements from sector regulators (National Insurance Commission, and Minerals Commission) into the materials.
 - Include information on ongoing taxonomies and digital reporting requirements from the Office of Registrar of Companies.
- c) Workshop Delivery:
 - Conduct two-day in-person workshops for each sector (insurance and extractives).
 - Deliver informational sessions on Day 1 and hands-on practical sessions on Day 2.
 - Ensure workshops are interactive and tailored to the participants' knowledge levels.
- d) Impact Measurement and Reporting:
 - Develop and conduct pre- and post-training knowledge assessments.
 - Create and administer post-training evaluation surveys.
 - Track and report on the number of participating companies successfully implementing IFRS S1 and IFRS S2.
 - Assess the potential for scaling the project to other sectors.
- e) Documentation and Reporting:
 - Develop a questionnaire to obtain implementation feedback and collect impact data for each sector.
 - Prepare a comprehensive report on the project, including outcomes, lessons learned, and recommendations for future initiatives.

The Consultant will be expected to work closely with ICAG and other relevant stakeholders throughout the project to ensure its successful implementation and to maximize its impact on sustainability reporting practices in Ghana.

B. Nigeria

The scope of the exercise will involve:

- a) Needs Assessment and Planning:
 - Review the outcomes of previous advocacy and awareness training sessions.
 - Conduct a detailed needs assessment for the financial services and oil & gas sectors in Nigeria regarding IFRS S1 and S2 implementation.
 - Develop comprehensive training plans tailored to each sector's specific needs.
- b) Training Material Development:
 - Create sector-specific training manuals including workbooks, and presentation slides.
 - Incorporate relevant local context, including the Nigerian Climate Change Act, NCCC Act, FRC ARWG Adoption Roadmap, Sustainable Banking Principles, and Petroleum Industry Act.
 - Develop materials on interoperability and jurisdictional compliance challenges
- c) Workshop Delivery:
 - Conduct two full-day in-person workshops for each sector.
 - Ensure workshops are interactive and tailored to the participants' knowledge levels.
- d) Post-Workshop Support:
 - Provide guidance on applying transition reliefs for first-time adopters.
 - Offer support on addressing sector-specific implementation challenges.
 - Create and launch industry sector sustainability ambassadors.
- e) Impact Measurement and Reporting:
 - Develop and conduct pre- and post-training knowledge assessments.
 - Create and administer post-training evaluation surveys.
 - Evaluate participants' ability to train others within their organisations.
 - Assess the potential for scaling the project to other sectors.
- f) Documentation and Reporting:
 - Develop a questionnaire to obtain implementation feedback and collect impact data for each sector.
 - Prepare a comprehensive report on the project, including outcomes, lessons learned, and recommendations for future initiatives.

The Consultant will be expected to work closely with FRC and other relevant stakeholders throughout the project to ensure its successful implementation and to maximize its impact on sustainability reporting practices in Nigeria.

Workstream 2: African Insurance industry - IFRS S1 and S2 capacity building and pilots

a) Development of a Pilot Implementation Toolkit

This will include creating a toolkit for NDSI members to implement IFRS S1 and S2 standards. This toolkit will serve as a step-by-step guide for insurers, reinsurers, and underwriters in integrating sustainability and climate-related risk reporting into their business practices. The outputs will include:

- A templated toolkit for NDSI members, guiding them through the implementation of IFRS S1 and S2 standards, including practical steps, templates for disclosures, and key principles to ensure reporting compliance.
- A refined “how-to” guide that aligns IFRS standards with insurance industry needs and ensures coverage of an array of institutions, from large insurers to smaller entities.

- Utilising existing resources from the IFRS Foundation, such as ‘Using the SASB Standards for IFRS S1’ and ‘IFRS S2 comparison with TCFD’, with insurance industry needs and ensures coverage of an array of institutions, from large insurers to smaller entities. For example, the guide would include details about proportionality mechanisms and the ISSB Standards industry based materials for the Insurance Sector.

b) Sustainability Reporting Advisory/ Support

This will include supporting 13 NDSI members in developing their first sustainability reports and developing a series of case studies on the early adopters of IFRS S1 and S2 within the African insurance sector. These case studies will highlight implementation challenges, successes, and opportunities. The outputs will include:

- Comprehensive sustainability reports for 13 insurers
- A comprehensive report with case studies from 13 insurers (preferably from five target countries), illustrating their experiences, lessons learned, and recommendations for broader adoption.
- A synthesis of findings from case studies, presenting key insights on how African insurance institutions can best incorporate IFRS S1 and S2 reporting into their financial and sustainability reporting.

c) Sharing of learnings to IFRS Foundation on IFRS S1 and S2 adoption

Provide structured feedback on the IFRS S1 and S2 adoption to the IFRS Foundation, ensuring African Insurance perspectives and sector-specific challenges are highlighted.

- A structured feedback report to the IFRS Foundation, summarizing insights and use case lessons and recommendations from NDSI members.

d) Capacity Building & Training Curriculum

This will include developing a capacity-building curriculum focused on training insurers and reinsurers on IFRS S1 and S2 standards. The curriculum should be tailored to the African insurance sector and scalable across various institutional sizes. The capacity building will include:

- A comprehensive capacity-building curriculum, including training materials, case studies, practical exercises, and examination frameworks to ensure thorough understanding and readiness for IFRS S1 and S2 reporting.

Deliver structured training workshops for NDSI members on IFRS S1 and S2 implementation, reporting requirements, and best practices. The workshops should be adaptable to both in-person and virtual delivery.

4. Deliverables

Workstreams 1 - Ghana and Nigeria IFRS S1 and S2 Implementation Support

In line with the scope of work, the expected deliverables under this contract will include the following, organized in a sequence to facilitate milestone-based payments for the delivery of capacity building in both Ghana and Nigeria:

- i. **Submission of workshop agendas and training materials package for both sectors;**
- ii. **Conduct sector-specific workshops (for both the Ghana and Nigeria sessions) and provide post-workshop support (for the Nigeria leg); and**
- iii. **Draft and submit final project report.**

Each deliverable for the Ghana capacity building sessions will be subject to review and approval by ICAG, PAFA, and FSD Africa. Payment milestones will be tied to the satisfactory completion and acceptance of these deliverables.

Each deliverable for the Nigeria capacity building sessions will be subject to review and approval by FRC, PAFA, and FSD Africa. Payment milestones will be tied to the satisfactory completion and acceptance of these deliverables.

Workstream 2: African Insurance industry - IFRS S1 and S2 capacity building and pilots

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

i. Pilot Implementation Toolkit Development

Creation of a toolkit to guide pilot institutions in implementing IFRS S1 and S2 tailored to support the unique needs of sustainable insurance practices.

ii. Sustainability Reporting Advisory and Support

Provision of advisory services to assist institutions in establishing robust sustainability reporting processes, aligning with IFRS S1 and S2.

iii. Insights and Feedback Submission to IFRS Foundation

Provide structured feedback on the IFRS S1 and S2 adoption to the IFRS Foundation, ensuring African Insurance perspectives and sector-specific challenges are highlighted.

iv. Capacity Building and Training Curriculum Development

This will include developing a capacity-building curriculum focused on training insurers and reinsurers on IFRS S1 and S2 standards. The curriculum should be tailored to the African insurance sector and scalable across various institutional sizes. The capacity building will include:

5. Timelines

The consultant is expected to execute tasks under each set of deliverables within the specified timelines. Below is the updated timeline for each deliverable.

Deliverables	Timeline
<i>Workstream 1</i>	
Submission of workshop agendas and training materials package for both sectors	Within two (2) weeks of award of contract
Conduct sector-specific workshops (for both the Ghana and Nigeria sessions) and provide post-workshop support (for the Nigeria leg)	Within six (6) weeks of award of contract
Draft and submit final project report	Within eight (8) weeks of award of contract
<i>Workstream 2</i>	
Pilot Implementation Toolkit Development	Within eight (8) weeks of award of contract
Sustainability Reporting Advisory and Support	Within ten (10) weeks of award of contract
Insights and Feedback Submission to IFRS Foundation	Within twelve (12) weeks of award of contract
Capacity Building and Training Curriculum Development	Within fourteen (14) weeks of award of contract

6. Invitation to Submit Proposal

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

- Names and CVs of key individuals (maximum three sides of A4 paper each).
- Outline of team structure.
- Summary of experience in the operation and regulation of capital markets in emerging markets, having provided advisory services on debt capital markets with a specific focus on municipal bonds
- Description of the consultant's understanding of the role and how they intend to fulfil the services within the suggested timeline.
- Estimated budget for both professional fees and reimbursable expenses- refer to Annex 1.

Your proposal, which should not exceed 10 pages (excluding annexures), should be sent by email to FSD Africa at bids@fsdafrica.org by **12:00PM EAT on 20th December 2024**

7. Basis of award

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

Mandatory Requirements
Proven experience of carrying out comparable assignment in multiple countries, and particularly the West African region.
Available and have the necessary capacity to start the assignment in Q1 2024 and to conclude the work within the proposed timeframe.
Firm/individuals must be able to demonstrate over 8 years of experience in broader financial sector experience, with proven record of designing and conducting capacity development.
Team lead must have at least a master's degree or equivalent post-graduate and/or professional qualifications in finance, economics, actuarial science, development studies, risk management, project management or another related field.
Experience in managing and executing complex projects

Assessment Criteria	Weighting (%)
Relevant, demonstrated experience and capacity of individuals in this area:	35%
Understanding/interpretation of the task set out in the TORs	15%
Clarity, content and quality of the proposal, including a proposed approach/methodology and detailed workplan for achieving the objectives	20%
Fee basis and total costs FS = 30% x LB/BP where:	30%

Assessment Criteria	Weighting (%)
FS = is the financial score LB = is the lowest bid quoted BP= is the bid of the proposal under consideration.	
The lowest bid quoted will be allocated the maximum score of 20%. Fee quoted must be inclusive of applicable withholding tax	
Total	100%

8. Contact

Questions or comments in respect of these terms of reference should be directed by email to: bids@fsdafrica.org on or before 12:00 PM EAT, 11th December 2024 and feedback will be provided by on 13th December 2024.

9. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the Consultant after withholding the appropriate taxes at the applicable rate between Kenya and the Consultant's country of tax residence, considering any tax treaties in force. It is the responsibility of the Consultant to keep themselves apprised of these applicable taxes. The below table however provides guidance on the applicable rates as per tax regimes

Country	WHT Rate
Kenya	5%
United Kingdom	12.5%
Canada	15%
Germany	15%
India	10%
Non-resident rate for citizens of EAC member countries	15%
All other countries	20%

Annex 1: Proposed Fee Schedule

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes

Consultancy fees*	Days	Fee USD/GBP	Total USD/GBP
xx			
xx			
Total remuneration			0.00
Reimbursement costs**	Unit	Cost USD/GBP	Total USD/GBP
xx			
xx			
Total reimbursement cost			0.00
Total proposed costs			0.00
<i>*Fees incl of all taxes</i>			
<i>**Expenses to be reimbursed on actual costs as per FSD Africa's travel policy</i>			