

**DRAFT TERMS OF REFERENCE DUTIES AND RESPONSIBILITIES**  
**OF THE FINANCING SPECIALIST**

**1. BACKGROUND**

1.01 Saint Lucia, a Small Island Developing State is categorised among the High Human Development Countries. Saint Lucia was ranked 106 out of 185 countries with a Human Development Index (HDI) value of 0.715 trending downward from 0.746 in 2018. The inequality adjusted score for Saint Lucia in 2021 was 0.559, representing a 21% loss because of significant disparities in life expectancy, household income distribution and years of schooling. Saint Lucia's demographic features portray a significant demographic shift with a youthful population, high density population in the urban centers of Castries and Gros Islet and a burgeoning older persons' population. Saint Lucia has a relatively significant youthful population, with active participation in the MSME sector. The youth population of Saint Lucia is approximately 23% of the total population. Youth employment has particularly suffered from the lack of skills that are aligned with labor market needs.

1.02 The Youth Economy Project (the Project) provides 'a one stop solution' to grant and loan financing, and training, marketing support and mentorship to qualifying young persons between the ages of 15 and 35 years. The Project would need to be sufficiently differentiated from and complimentary to other already available programmes with similar mandates but will provide budding youth entrepreneurs access to financing, training, mentorship, and marketing support for the evolution of their skills and hobbies into sustainable businesses for economic benefit. The provision of concessionary financing to youth-led MSMEs supports entrepreneurship, the creation of employment, expanding the productive sector and positioning MSMEs to contribute to long term growth, resilience, and gender equality. The Youth Economy Agency (YEA) is the implementation agency tasked with Youth Economy Project which includes allowing a young person to obtain financing, training, mentorship and marketing support for an activity for either a proposed micro business enterprise or an existing micro business enterprise.

1.03 The Project offers a unique opportunity to create a new economy for the participation of youth based on technology, innovation, and entrepreneurship. The programme will provide access to capital financing in the form of loan and/or grant financing to 2916 female and male qualifying youth entrepreneurs. The Project will also provide training to 600 female and male young entrepreneurs in business development and planning, business management, marketing; and business mentoring and coaching for 120 male and female owned new enterprises. In addition, psycho-social support will be tailored according to the needs of each individual loan and grant recipient. Moreover, the project will strengthen the institutional capacity of YEA, including the development and strengthening of environmental, social and gender safeguards; monitoring and evaluation; grievance redress mechanism, inter-agency partnerships and networking.

1.04 The Youth Economy Project is a socially- inclusive and gender- responsive project that targets vulnerable groups irrespective of their sex, disabilities, geographical residence/location, religious and/or political affiliation. Project beneficiaries will be selected using a transparent and empirically verifiable methodology in the form of a well targeted and operational project criterion. The main risk is the inclusion and/or exclusion of vulnerable groups (such as ensuring geographical equity) from project benefits, which will be mitigated by the measures included in the project design, such as the communication strategy and stakeholder partnership and collaboration, to ensure these groups can have access to the project benefits. The expected outcome of the Project is increased economic participation and engagement of the youth population between the ages of 15 and 35 in socially- inclusive, gender- responsive and environmentally- resilient business enterprises, contributing to the expansion of the MSME sector and Saint Lucia's overall economic development. The project components are as follows:

Capital Financing – this involves the provision of funding to youth enterprise beneficiaries in key economic sectors including agriculture, agro-processing, the blue economy, the green economy, the orange economy, designing, entertainment, modeling, music, sports, the literary and performing arts, writing and directing, training and technology. Loans and/or grants will be issued based on an assessment of the needs of each applicant. The project targets 450 male and female young persons with average loans of XCD15,000 each (maximum of XCD30,000); and grants to 2,916 male and female young persons, with average grants of XCD3,000 each (target maximum of XCD5,000 based on needs assessment. The loan portion will be disbursed at an interest rate of 3%.

1.05 Capacity- Building – includes costs relating to training for 600 male and female young persons in business development, planning and registration, business management, marketing; and business mentoring and coaching for 120 male and female young persons. As a condition of the youth enterprise loans, beneficiaries will receive a targeted training and technical support programme, customised to fit the needs of the individual enterprise or sector represented. In addition, psycho-social support will be tailored according to the needs of each individual loan and grant recipient. The individual and group training programmes will be primarily implemented by the YEA through the engagement of consultants. In addition, existing training programmes provided by the Generation of Employment through Private Sector Development Project (GEPSED), Small Business Development Center, Sir Arthur Lewis Community College and Monroe College will be utilised by YEA in building synergies and meaningful partnerships for the successful outcomes and benefits of the youth entrepreneurs.

1.06 Institutional Strengthening of the YEA, including the development and strengthening of environmental, social and gender safeguards; monitoring and evaluation; grievance redress mechanism, building resilience to climate related and other shocks, strengthening interagency partnerships and networking of the YEA through technical assistance services and facilitation of Board, management, and staff training. The Facility's main implementing Agency, i.e. MOF- through YEA - will engage trainers, consultants and other third-party stakeholders to implement the project's training and technical support component – related to achieving objectives 2 through 4 above.

## **2. OBJECTIVE**

2.01 The objective of this consultancy is to strengthen YEA's capacity to evaluate and conduct risk assessments of financing applications. The goal of this activity is to maximise the probability of the entrepreneurs' success and to minimise delinquencies and non-performing loans, thereby enhancing the sustainability of the programme. To meet these goals, the Financing Specialist (Specialist) will provide hands-on assistance to YEA staff, especially its Business Development Officers (BDO), with the review and assessment of loan and grant applications.

2.02 In addition, the Specialist will provide capacity building by assessing YEA's capacity to evaluate financing applications and providing a tailored training programme. The Financial Specialist will report directly to the YEA's Chief Executive Officer, providing regular reports on the performance of the capital financing programme to both YEA and CDB over the 18-month project implementation period.

### 3. SCOPE OF WORK – FINANCING SPECIALIST

3.01 The Specialist's duties will include but not be limited to:

- (a) Review all relevant local financing/lending regulatory requirements.
- (b) Consult with local financing institutions and other government agencies to identify the major challenges, risks and lessons learned related to financing of youth entrepreneurs.
- (c) Review YEA's Act, its application forms and related internal documents to familiarise with the programme's objectives and criteria. In collaboration with YEA's CEO, develop operational guidelines to implement the requirements of the Act and outline the criteria for access to the programme.
- (d) Provide hands-on support and technical inputs to YEA staff for due diligence reviews and risk assessment of financing applications including the tenor of loan applications and security arrangements, as applicable.
- (e) Assess the current capability of YEA staff to undertake due diligence reviews of financing applications. Develop and deliver a training programme to enhance the capacity of YEA staff to conduct due diligence reviews of financing applications, aligned with accepted industry standards.
- (f) Provide YEA's CEO and CDB's Project Supervisor with monthly reports on the progress of the financing programme, including but not limited to the number of applications received/approved, profile of approved applications (including industry sector, age of applicant, type and amount of financing), any challenges encountered and recommendations for improvement and confirm compliance of approvals with the YEA's Act, any local regulations and accepted industry standards.

### 4. DURATION OF CONTRACT

4.01 The duration of the assignment will be eighteen (18) consecutive months. The Specialist should be prepared to assume duties by October 2024.

### 5. REPORTING REQUIREMENTS

5.01 The Specialist will be required to provide the following to the YEA and to CDB:

- (a) **Inception report:** Within two weeks of commencement of the assignment, the Specialist will submit an Inception Report outlining the work schedule and methods to be used.
- (b) **Operational policies and guidelines:** Within four weeks of commencement of the assignment a draft operational guideline outlining the qualification criteria and review processes to access the programme.
- (c) **Assessment of YEA institutional capacity:** Within four weeks of commencement of the assignment, the Specialist will submit an assessment of YEA's capacity to undertake due diligence reviews of financing applications.
- (d) **Training programme:** Within eight weeks of commencement of the assignment, the Specialist will submit a draft training programme based on assessment of YEA's institutional capacity noted above.
- (e) **Ongoing reporting:** Monthly, from one (1) month after commencement of the assignment, the Specialist will submit a report on the applications received and approved as outlined above.

**6. QUALIFICATIONS**

6.01 The Specialist should have the following minimum qualifications:

- (a) A Bachelor's Degree or equivalent in Finance, Accounting, Banking, Business
- (b) A minimum of 10 years' experience in the financial services (credit/banking) sector.
- (c) A minimum of 5 years' experience in conducting loan evaluation and risk assessment.
- (d) A professional certification in a relevant area (e.g. CPA, ACCA, PMP) would be an asset.

6.02 **LANGUAGE PROFICIENCY:** Candidate must be fluent in written and spoken English.