



**Federal Government of Somalia
Ministry of Labour & Social Service**

Terms of Reference

Development of Administrative Regulations & Procedures for the Public Service Pension & Gratuity Law for strengthening Civil Service Management of FGS.

Project Name:	Somalia Capacity Injection Project
Type of Consultant:	Individual Consultant/Contractor
Duration:	120 person-days (work-man-days)
Starting Date:	1 st April 2022
Ending Date:	30 th September 2022
Duty Station:	Ministry of Labour & Social Affairs, Mogadishu – Somalia.

1. Background

The Federal Government of Somalia (FGS) is planning to establish a pension system for eligible civil servants. This is the result of a government initiative to help people who otherwise might not save enough money to live on when they retire, and to make it possible for people to retire at normal retirement age. A Defined Benefit (DB) pension system has been agreed upon to provide employees with a predictable retirement benefit for life. DB plans are based upon an established formula defined by a law. DB plans may be funded by employee and employer contributions and investment returns. The benefit formula is based on the years of service and the compensation.

The proposed reform is embodied in a Pension policy and a draft Law (Bill) and includes the establishment of a Pension Fund as an integral Department within the Ministry of Finance. The Pension Fund department will be responsible for administering the process of pension and gratuity benefits to civil servants, the receipt of contributions, recordkeeping etc. In addition, the Pension Fund must establish a working relationship with the Competent Medical Commission that will determine the type and level of disability in applicants for disability benefit.

In this context the client – Ministry of Labour & Social Affairs of the Federal Government is looking for a qualified legal consultant s a technical assistant to help and design the required pension scheme implementation arrangements including the “Administrative Regulations & Procedures” for the drafted Pension Bill, the Pension Fund department organizational structures, identification of its staffing plan, its business processes, communication strategy for the Pension fund, The Consultant will work closely with the government’s Pension Technical Working Group,

the Director Generals of: the Ministry of Labour & Social Affairs, the Ministry of Finance, the National Civil Service Commission, and the Pension Fund Administrator of the Pension Fund Department if established and appointed by the government.

2. Objective and Scope of the assignment

The primary objective of the assignment is to guide the development required arrangements and document materials for the implementation of the Public Service Pension and Gratuity system.

The specific objectives of the Consultant's assignment are:

- (i) Support and guide the Government's Pension Technical Working Group for the establishment of the required preparatory arrangements and the implementation plan of the Public Service Pension System.
- (ii) Develop the *Administrative Regulations and Procedures, the required business process manuals* for the implementation of *the Public Service Pension & Gratuity Law*;
- (iii) Support implementation and establishment of all key components of the public pension system – especially the Pension Fund and development of its business operations system
- (iv) Support the capacity-building of the Pension Fund staff.

3. Approach and Methodology of the assignment

The consultant shall carry out the tasks listed in this ToR in close consultations and working with the *Government's Pension Technical Working Group* as well as World Bank pension experts. The consultant shall be also required to consult with the key relevant senior managements and advisors of the Ministry of Labour & Social Affairs, the Ministry of Finance, the National Civil Service Commission, the Ministry of Health, the Office of the Prime Minister as other key government MDAs deem necessary for consultation during the assignment.

The consultant will review the drafted and endorsed Public Service Pension & Gratuity Policy and Bill as well as other government's civil service regulations and HR business processes and any necessary data related the civil service employees. From the government (client) side, it will support and provide access to all relevant documentation and the required data for the assignment purpose, mobiles and facilitate the required interactive meetings between the client and consultant.

4. Key Specific Tasks of the assignment

The consultant shall be required to carry out the following key tasks:

- 1) Support the development of an implementation plan (detailed at task and sub-task levels) for the new pension system, including preparation of a draft plan for approval by the FGS team;
- 2) Preparation and delivery of informational materials for the Parliament describing the drafted Pension Policy and the Bill;

- 3) Monitoring and assessing the impact of changes to the Pension Bill that may come during the Parliamentary process;
- 4) Draft Administrative Regulations and Procedures and necessary guidelines for the drafted Public Service Pension & Gratuity Bill, in collaboration with the government's Pension Technical Working Group and the World Bank's task team experts;
- 5) Develop contribution collection and contributor data reporting procedures for the Pension Fund;
- 6) Propose banking procedures, suitable for Somalia, for the Pension Fund;
- 7) Develop benefit application and benefit payment procedures for the Pension Fund;
- 8) Develop a draft Operational Manual for the Pension Fund, to include the above three essential processes of the Pension Fund (*banking, contribution collection, benefit processing and benefit payments*);
- 9) Develop process for sharing information with and receiving information from other agencies for obtaining employment records (Civil Service Commission) and for determination of age and disability (Competent Medical Commission);
- 10) Prepare a *Communications Strategy and implementation* plan for the Pension Fund and *public information materials* for civil servants;
- 11) Prepare an organizational and staffing structure for the Pension Fund, Organize and participate in recruitment of Pension Fund staff according to Ministry of Finance procedures;
- 12) Organize and lead capacity building of the Pension Fund department staff;
- 13) Support the Public Pension Oversight Committee in developing an oversight process for the Pension Fund with special attention towards long-term financial sustainability of the Pension Fund, and including the *Establishment of an Appeals Procedure*;
- 14) Support the Pension Fund in retaining an actuary for a Pension Fund valuation to determine if the total contribution rate is sufficient to finance the proposed pension payments on a prospective basis;
- 15) Prepare training materials for the Pension Fund department staff;
- 16) Prepare the initial Pension Fund budget for approval of the Public Pension Oversight Committee;
- 17) Support the Pension Fund in establishing an audit function;
- 18) Provide technical support and advice to the *Public Pension Oversight Committee*, and the *Pension Fund Administrator* (if appointed).

5. Key Deliverables:

- a) Inception report of the assignment with comprehensive work plan;
- b) Detailed roadmap and action plan for the implementation of the pension policy and Pension Bill;
- c) Informational materials and presentations for the Parliament regarding the draft pension bill.
- d) Draft Pension *Administrative Regulations & Procedures*, business forms, and guidelines in collaboration with others;

- e) HR Plan with the identified requirements based on organizational structure (Pension Fund Department);
- f) Draft Operational Manuals, including: *banking, contribution collection* and *benefit awards and payments procedures*.
- g) Draft *Guidelines and Instructions* for the institutional implementation arrangement process for collaboration with other agencies for obtaining necessary records and making determinations as to age and disability as needed (the Civil Service Commission, the Competent Medical Commission);
- h) Draft *Communications Strategy with implementation plan* for the Pension Fund and *Public Information Materials* for civil servants;
- i) Training program for Pension Fund (PF) department staff;
- j) Prepare all materials required for the first meeting of the Public Pension Oversight Committee;
- k) TOR for Actuary / Procurement process;
- l) TOR for PF Auditor / Audit Dept. Charter / Two-Year Audit Plan; and
- m) Provide Monthly and Final Reports of the assignment.

6. Criteria for the key Academic Qualifications and Experiences required:

6.1 Educational background:

- At least Master's degree of: in Law (preferably *Administrative Law*), in Public Finance, in Public Administration, in Human Resource Management;
- Additional professional certifications in pension fund management will be added advantage.

6.2 Experience:

- At least 10 years progressively more responsible work experience working in the legal field.
- Proven ability and experience for designing legal framework documents for public service and government institutions;
- Proven track record of analytical skills in legal materials and ability to make concise, relevant recommendations.
- Proven track record of at least 5 years of experience in public finance management with a strong preference for specific knowledge on pension fund governance and management;
- Experience working with pension fund administrators, social security boards, or social insurance programs at the executive level is a significant plus.
- Fluency in English and Somali and competent in translation skills.
- Demonstrated experience working with governments of developing countries including fragile and conflict-affected states. Experience working in Somalia is an advantage.

7. Time frame

The assignment will be completed in **120 person-days** starting from the time contract is signed. The expected starting date is *1st April 2022* and the expected completion date for this assignment shall be *30th September 2022*

8. Terms of Payment

Payment will be based on deliverables. All deliverables must be satisfactory to the Client and the World Bank. The terms of payment shall be as follows:

1) 15 % of the total amount payable upon submission of:

- a) Inception report of the assignment with comprehensive work plan;
- b) Detailed roadmap and action plan for the implementation of the pension policy and Pension Bill;
- c) Informational materials and presentations for the Parliament regarding the draft pension bill.

2) 30% of the total amount payable upon the submission of:

- a) Draft Pension *Administrative Regulations & Procedures*, business forms, and guidelines in collaboration with others;
- b) HR Plan with the identified requirements based on organizational structure (Pension Fund Department);
- c) Draft Operational Manuals, including: ***banking, contribution collection and benefit awards and payments procedures.***

3) 30% of the total amount payable upon the submission of:

- a) Draft *Guidelines and Instructions* for the institutional implementation arrangement process for collaboration with other agencies for obtaining necessary records and making determinations as to age and disability as needed (the Civil Service Commission, the Competent Medical Commission);
- b) Draft *Communications Strategy with implementation plan* for the Pension Fund and *Public Information Materials* for civil servants;
- c) Training program for Pension Fund (PF) department staff;
- d) Prepare all materials required for the first meeting of the Public Pension Oversight Committee;
- e) TOR for Actuary / Procurement process;
- f) TOR for PF Auditor / Audit Dept. Charter / Two-Year Audit Plan; and

4) 25% of the total amount payable upon the final submissions of: All validated documents of the above listed deliverables (1 to 3).

9. Services to be delivered by the Client (FGS)

The client through the support of the CIP project coordination unit (PCU) will be responsible for facilitating the overhead costs during the assignment for the consultant's field work only such as: travel logistics (air tickets etc), accommodation and local transport and security. The client, the *Ministry of Labour & Social Affairs* and other key direct involved MDAs such as: The *National Civil Service Commission and the Ministry of Finance*, shall provide all needed information/data to facilitate timely completion of the assignment. The FGS Pension Technical Working Group will oversee and provide direction to ensure the Consultant has the logistics and information needed to successfully complete the assignment.

10. Reporting

The Consultant will be directly reporting to the Director General of the Ministry of Labour & Social Affairs. He will be also closing working and reporting to the *Pension Fund Administrator* (if appointed by FGS), the established *FGS Pension Technical Working Group*. The consultant shall submit monthly progress reports to the CIP Project Coordinator and to the client.

The Consultant shall also work very closely the Ministry of Finance, the National Civil Service Commission and the Office of the Prime Minister for the consultations needed for the assignment on the specified tasks listed in this ToR and the resulting the listed deliverables.

The Consultant and the Government Team will ensure effective consultation and collaboration with senior officials of Government Ministries, Departments, and Agencies in particular Heads of HR units at CSC, MESAF, Ministry of Finance, and other MDAs.