

## UNIDADE DE GESTÃO DE PROJECTOS ESPECIAIS

### CABO VERDE HUMAN CAPITAL PROJECT

Av. Amílcar Cabral – Ex. Edifício do BCV, 4º andar  
C.P: 145, Plateau, Cidade da Praia, República de Cabo Verde  
Telefone: (+ 238) 261 75 84 / 261 61 98

[www.governo.cv](http://www.governo.cv)

## Consulting on Higher Education Financing and Reform

### *TERMS OF REFERENCE*

**Recruitment of a consultancy to support the Ministry of Education in reforming the Higher Education Financing Model in Cabo Verde, with a focus on improving performance indicators, quality of higher education and employability of graduates.**

#### 1. BACKGROUND

The Government of Cabo Verde received a loan of USD 26 million from the World Bank to implement the Human Capital Project, within the scope of the new National Sustainable Development Strategy, Ambition 2030 (PEDS II), aiming to accelerate economic growth by strengthening its human capital and the creation of more employment opportunities. The objective of the Human Capital Project for the Education sector is perfectly aligned with the vision and priorities of the Government of Cabo Verde in relation to the development and valorization of its human capital in the 2030 horizon. Now, the valorization of Human Capital has a very strong correlation with the quality of training offers made available by higher education institutions in the country.

Aware of this enormous challenge, the Government of Cabo Verde, in the Program of the X Legislature, chose as priorities "transforming Cabo Verde into a country with more opportunities for young people through inclusive and excellent education, making the Cape Verdean educational system resilient and reliable in promoting applied research and aligning national higher education with international best practices in terms of regulation, curriculum and international quality

systems". In this order of idea, already in the Strategic Education Plan 2017 to 2021, within the scope of the Scholarship Policy, the Government defended that "the desired repositioning of Higher Education training offers, in a balance between the individual expectations of students and national objectives for sustainable development can only be achieved through a scholarship policy that favors students who choose relevant areas of study" (PEDSI). Always safeguarding the freedoms and constitutional rights of citizens, it is important to emphasize that any HE financing mechanism that is adopted must have as its basic assumption the relevance of the course for the country and the level of employability of the courses, the quality of training offers, in order to avoid the mass unemployment of graduates.

Higher education financing has been the subject of different policy measures, without, however, there being a consensus around a medium-long financing model, living up to the SDG motto "leave no one behind". In fact, in the 1990s, given the decrease in aid to Cabo Verde in the field of training senior management, the Government of the time established the first financing mechanism for higher education, with the introduction of refundable scholarships and free scholarships.

From 2010 onwards, by political decision it was considered that refundable scholarships granted by the State of Cabo Verde would be considered scholarships and grants of a non-refundable nature. As the HE financing problem persisted and worsened, from 2012/2013 onwards the Government of the time introduced the form of Loan Grants with Mutual Guarantee, as a complement to non-refundable grants. According to FICASE data, this new modality was not successful, as the banks themselves showed some reservations, probably due to non-compliance with what was established in the initial protocol, which is why the program was interrupted.

In 2019, in order to solve the challenge of HE financing, the Government commissioned a study to be carried out on - NEW MODEL FOR FINANCING Higher Education Training. The study prepared made an interesting diagnosis about ES financing in Cabo Verde, and presents an econometric model concerning the financial impact, taking into account the different scenarios of projected potential demand, whose base data needs to be updated, as the Census itself General Population and Housing Index for 2020 does not corroborate the data presented in the study. However, it could serve as a basis for the study that is intended to be developed, as the data

presented and the analyzes carried out are generally credible. However, the assumptions that served as the basis for projecting the potential demand for staff for HE constitute one of the weaknesses of this study. Because, instead of the expected increase in numbers enrolled in higher education in the country, there has been a decrease in numbers in higher education with a tendency towards stabilization. In fact, the RGPH 2020 itself corroborated the thesis of a decrease in the population in Cabo Verde. On the other hand, the unit costs presented per student in higher education seem unrealistic.

## **2. JUSTIFICATION**

In Cape Verde, higher education, despite being relatively recent (dates back to 1979, with post-secondary courses), the results in terms of access have been notable, both in terms of supply and enrollment, contributing to social equity and for the progress of Cape Verdean society.

However, after the initial phase of growth in educational provision, the country currently faces enormous challenges, especially in equity of access, as well as the quality of teaching and learning and the sustainability of the entire system. If Cabo Verde does not substantially guarantee the quality and sustainability of the higher education system, the enormous efforts made previously will not bear the expected fruits. The sustainability of higher education depends on the commitment of Cape Verdean society and government to implementing an adequate and sustainable agenda.

At this level, the government of Cabo Verde has, been doing in recent years, taken significant measures with the aim of consolidating the gains achieved. However, Cabo Verde is facing questions and concerns from civil society about the quality, credibility and financial sustainability of the national higher education system. The Cape Verdean higher education financing model has some specificities that are no longer capable of responding effectively to current challenges.

In fact, over the last 5 years, the Government has invested approximately \$540,000,000 annually in scholarship programs and non-refundable subsidies, in the country and abroad, benefiting approximately 4000 students per year. More than 92% of beneficiaries are in the country. This is a tuition grant, that is, it goes directly to universities. Consequently, students do not receive any additional support to cover other expenses, such as accommodation, food and mobility, which constitutes a huge constraint, in a context in which global poverty reaches 22% and extreme poverty, affects 10% of the population.

Because, students who attend universities in the country are mostly children of the most disadvantaged classes, who, as a rule, do not have the means to cover the cost of living, namely food, housing and mobility, leaving those very vulnerable, with impacts on learning and system maintenance.

Therefore, it is necessary to reconsider the Cape Verdean higher education financing system for greater sustainability, so that the system can fulfill its irreplaceable role in the transformation of Cape Verdean society.

### **3. CONSULTING OBJECTIVES**

This consultancy to support the Ministry of Education, through DGES, proposes the following objectives:

- (i) Assess the current situation of higher education financing in Cabo Verde, presenting the strengths, weaknesses and their impact on the quality of higher education, and the education sector in general;
- (ii) Propose an appropriate model for financing higher education and the sustainability of the system in Cabo Verde;
- (iii) Explain and quantify financing needs for training areas with high employability rates and futuristic jobs;
- (iv) Propose detailed and concrete recommendations regarding the implementation of the model.

### **4. REFERENCES**

To achieve the aforementioned objectives, the consultancy will rely on a set of reference documents, including national strategic documents and current legislation on the financing model, as well as recent diagnostic studies carried out by the General Directorate of Higher Education of Cabo Verde, data FICASE statistics, as an entity that manages the ornamental allocations made available in state budgets and, statistics produced in the evaluation reports of Higher Education Institutions produced by the Higher Education Regulatory Agency. Some references are proposed, namely:

- a) Government Program of the 10th Legislature;
- b) Strategic Plan for Sustainable Development 2022-2026;

- c) Strategic Agenda for the Sustainable Development of Cape Verde (Cape Verde, Ambition 2030);
- d) Educational Strategic Plan 2022-2026;
- e) National Science Program and the respective Strategic Plan for Science, Technology and Innovation 2022-2026;
- f) Report on the Assessment of Higher Education Institutions (HEIs), from the Higher Education Regulatory Agency (ARES) (partial and complete, 2023);
- g) Report on the Higher Education Financing Model, from the General Directorate of Higher Education (2019);
- h) World Bank (2012). Building the Future: How Higher Education Can Contribute to Cape Verde's Economic and Social Transformation Agenda;
- i) Decree-Law No. 49/2010, of February 8, defines the public financing regime for higher education, putting an end to reimbursement;
- j) National Statistics Institute. 2020 Census, consulted at [www.ine.cv](http://www.ine.cv).

The General Directorate of Higher Education (DGES) will provide the reference documents referred to above, without prejudice to other sources that may be freely consulted by the consultancy team.

## **5. METHODOLOGY**

This consultancy aims to create a Facilitating Framework for improving the quality and financing of the National Higher Education System of Cape Verde, in order to achieve a high quality of teaching and learning in the system, and create all the conditions for its financial sustainability through appropriate financing schemes. The consultancy will require the consultancy team to carry out a situational diagnosis, as mentioned in point 3 (OBJECTIVES OF THE CONSULTATION), based on the available set of reports and documents and statistics, essential for understanding the current state of the national financing system. University education.

All necessary primary information will be provided by the General Directorate of Higher Education (DGES), FICASE, Higher Education Regulatory Agency (ARES). DGES will provide the necessary logistical support and mediate between the consultancy team, universities and public administration.

Without prejudice to the work methodology to be proposed by the consultancy, the process of preparing each of the components of the study must be a participatory process, involving representatives of all interested parties. It should allow a prospective analysis of the budget for the implementation of these instruments for the reform of the national higher education system.

The consultant's methodological and financial proposal must foresee all travel expenses that he intends to incur to carry out the work.

## **6. EXPECTED RESULTS**

Complete analysis of structural policy measures for financing that includes the following results:

- **R1:** Diagnosis/evaluation of the current situation of the higher education financing system in Cabo Verde.
- **R2:** Map the financing needs of higher education, using the criteria to support the country's priority areas of development, employability levels of graduates, qualities of training offers and the most disadvantaged population.
- **R3:** New higher education financing model, including its financial impact on public accounts and impact on family income, segmented by household income brackets, if applicable.
- **R4:** Technical report with detailed recommendations, ways to implement the proposed measures and timelines regarding their implementation.

Map the average cost of a university student.

Projection of potential student demand for post-secondary training (professional higher education courses and higher education).

## **7. PRODUCTS, PAYMENTS AND DURATION**

Consultancy recruited under this ToR, in accordance with the objectives defined above, is expected to provide the following products:

- **PRODUCT/DELIVERABLE 1:** Initial report, including consultancy methodology and work plan.
- **PRODUCT/DELIVERABLE 2:** Assessment report on the current situation of HE financing in public and private institutions, including strengths, weaknesses, opportunities and threats/SWOT analysis.

- **PRODUCT/DELIVERABLE 3:** Report/technical proposal for the new financing model, presenting at least three (3) types of scholarships (free higher education, family contributions and other modalities that suit the Cape Verdean context). For each modality, present the different scenarios, demonstrating the financial impact of each one on public finances and the family economy. The model to be proposed must have as a reference the relevance of the courses and the alignment with the priority areas in the country's development, the increase in the employability of graduates and the quality of the training offers.
- **PRODUCT/DELIVERY 4:** technical report presenting in detail how to implement the proposed scenarios.

<b>Products</b>	<b>Product Delivery Time</b>	<b>Product approval deadline</b>	<b>Indicative % Payment with acceptance and approval</b>
<b>PRODUCT 1:</b> Inception report including methodology plan and consulting work plan	7 days (calendar days) after signing the contract	7 days (calendar days) after delivery	10%
<b>PRODUCT/DELIVERABLE 2:</b> Assessment report on the current situation of HE financing in public and private institutions, including strengths, weaknesses, opportunities and threats/SWOT analysis.	30 days (calendar days) after Product 1 validation	10 days (calendar days) After delivery	20%
<b>PRODUCT/DELIVERABLE 3:</b> Report/technical proposal for the new financing model, presenting at least three (3) types of scholarships (free higher education, family contributions and other modalities that suit the Cape Verdean context). For each modality, present the different scenarios, demonstrating the financial impact of each one on public finances and the family economy. The model to be proposed must have as a reference the relevance of the courses and the alignment with the priority areas in the country's development, the increase in the employability of graduates and the quality of the training offers.	30 days (calendar days) after Product 2 validation	10 days (calendar days) after delivery	20%

<b>PRODUCT/DELIVERABLE 4:</b> Technical report presenting in detail how to implement the proposed scenarios.	10 days after Product 3 validation	7 days (calendar days) after delivery	20%

## 8. QUALIFICATIONS/PROFILE OF CONSULTANTS

The consulting firm must have (i) at least 15 years of experience in the education and higher education sector, (ii) proven experience in developing similar work. International experience in developing work that is the subject of this consultancy in similar countries will be an advantage.

The team should consist of the following specialists:

- a) 1(One) Team Leader - Academic, with a Master's degree in any scientific area. A doctoral degree will be an asset. At least 15 years of proven experience in higher education (management, scientific research and teaching) and vast knowledge of the Cape Verdean education system or that of similar countries, particularly in the organization and functioning of higher education. Proven and solid knowledge of the legislation of Cabo Verde or similar countries concerning higher education. At least 10 years of experience in Teamwork leadership. Proven experience in drafting strategic documents. Proven and solid knowledge of Higher Education Systems in Small Island Developing States (SIDS), especially, higher education governance and financing models. Excellent knowledge of Portuguese and English languages (speaking, writing, and reading).
- b) 1 (One) Financial Specialist - Master's degree in Finance, Economics, Business Administration and/or Accounting. Master's degree in financial modeling will be a plus. With at least 8 years of proven experience in the financial area, of which 5 years in financial leadership and management roles. Extensive experience in data analysis, financial modeling and accounting as it relates to higher education funding (public or private). Proven knowledge of Higher Education Systems in Small Island Developing States (SIDS). Excellent knowledge of Portuguese and English languages (speaking, writing, and reading).
- c) 1 (one) Specialist in Education Management and Planning -, with knowledge of the education and higher education sector and at least 8 years of proven experience in preparing



studies in the education and higher education sector. Proven knowledge of higher education systems in Small Island developing States (SIDS). Excellent knowledge of Portuguese and English (speaking, writing and reading).

- d) The consulting team should gather relevant experience in higher education, scientific research, science management, and scientific project evaluation.
- e) The participation of national specialists in the expert team will be an added value.

## **9. ENTITY RESPONSIBLE FOR SUPERVISING THE CONSULTANCY**

The consultancy will be carried out under the technical supervision of the Ministry of Education, through the General Directorate of Higher Education, in close articulation and collaboration with Higher Education Institutions and Public Research Institutes.

It will also have the support of an inter-ministerial team, integrating the Ministry of Education (General Directorate of Higher Education /DGES, General Directorate of Planning, Budget and Management /DGPOG and Cape Verdean Foundation of Social and School Action/FICASE) and the Ministry of Finance and Business Development through the Unit Management for Special Project/UGPE.

The consulting team will be contracted and will report to the Unit Management for Special Project/UGPE for administrative matters of the contract.

## **10. OWNERSHIP/COPYRIGHTS**

All the products resulting from the consultancy will be the property of the Ministry of Education (ME), the entity benefiting from the consultancy.

The consultant must undertake to keep confidential the information obtained in the development of the contracted products.