



REPUBLIC OF KENYA



**THE NATIONAL TREASURY AND ECONOMIC
PLANNING**

**P. O. BOX 30007-00100
NAIROBI**

REQUEST FOR EXPRESSIONS OF INTEREST (REOI)

FOR

**PROVISION OF CONSULTANCY SERVICES FOR
BASELINE SURVEY FOR THE RURAL KENYA
FINANCIAL INCLUSION FACILITY (RK-FINFA)**

REOI NO. TNT/EOI/001/2022 - 2023

Issued on: 28th March, 2023

CLOSING DATE: THURSDAY 13TH APRIL, 2023 AT 11.00 AM.

Instructions to Consultants

Reference Number: 2000004121 and No: 2000004122

28th March, 2023

PROVISION OF CONSULTANCY SERVICES FOR BASELINE SURVEY FOR THE RURAL KENYA FINANCIAL INCLUSION FACILITY (RK-FINFA)

1. The Government of the Republic of Kenya has received financing from the International Fund for Agricultural Development (“the Fund” or “IFAD”) towards the cost of the National Treasury, Rural Kenya Financial Inclusion Facility (RK-FINFA) project (“the Client”), and intends to apply part of the proceeds under the contract for Provision of Consultancy Services for Baseline Survey for the Rural Kenya Financial Inclusion Facility (RK-FINFA), for which this REOI is issued.
2. The use of any IFAD financing shall be subject to IFAD’s approval, pursuant to the terms and conditions of the financing agreement, as well as IFAD’s rules, policies and procedures. IFAD and its officials, agents and employees shall be held harmless from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature brought by any party in connection with the Rural Kenya Financial Inclusion Facility (RK-FINFA) project.
3. This Request for Expressions of Interest (REOI) follows the general procurement notice that appeared in MyGov newspaper on 28th February, 2023, on the IFAD website and on UNDB on 1st March, 2023. The REOI was advertised in MyGov newspaper, the National Treasury website www.treasury.go.ke and the Public Procurement Information Portal www.tenders.go.ke on 28th March, 2023.
4. The Client now invites Expressions of Interest (EOIs) from legally constituted Consulting firms (not individual consultants) (“consultants”) to provide Consultancy Services for Baseline Survey for the Rural Kenya Financial Inclusion Facility (RK-FINFA). More details on these consulting services are provided in the Preliminary Terms of Reference (PTOR) attached as **Annex 1**. The Consultant may sub-contract selected activities provided that said services do will not exceed 20% of the total consultancy work.
5. Before preparing its EOIs, the Consultant is advised to review the preliminary Terms of Reference attached as **Annex 1**, which describe the assignment and **Annex 2** that details the evaluation of the technical qualifications.
6. The consultant shall not have any actual, potential or reasonably perceived conflict of interest. A consultant with an actual, potential or reasonably perceived conflict of interest shall be disqualified unless otherwise explicitly approved by the Fund. A consultant including their respective personnel and affiliates are considered to have a conflict of interest if they a) have a relationship that provides them with undue or undisclosed information about or influence over the selection process and the execution of the contract, b) participate in more than one EOI under this procurement action, c) have a business or family relationship with a member of the client’s board of directors or its personnel, the Fund or its personnel, or any other individual that was, has been or might reasonably be directly or indirectly involved in any part of (i) the preparation of this expression of interest, (ii) the selection process for this procurement, or (iii) execution of the contract. The consultant has an ongoing obligation to disclose any situation of actual,

potential or reasonably perceived conflict of interest during preparation of the EOI, the selection process or the contract execution. Failure to properly disclose any of said situations may lead to appropriate actions, including the disqualification of the consultant, the termination of the contract and any other as appropriate under the IFAD Policy on Preventing Fraud and Corruption in its Projects and Operations¹.

7. All Consultants are required to comply with the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (hereinafter, “IFAD’s Anticorruption Policy”) in competing for, or in executing, the contract.
 - a. If determined that a Consultant or any of its personnel or agents, or its sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers and/or any of their personnel or agents, has, directly or indirectly, engaged in any of the prohibited practices defined in IFAD’s Anticorruption Policy or integrity violations such as sexual harassment, exploitation and abuse as established in IFAD’s Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse² in competing for, or in executing, the contract, the EOI may be rejected or the contract may be terminated by the client.
 - b. In accordance with IFAD’s Anticorruption Policy, the Fund has the right to sanction firms and individuals, including by declaring them ineligible, either indefinitely or for a stated period of time, to participate in any IFAD-financed and/or IFAD-managed activity or operation. The Fund also has the right to recognize debarments issued by other International Financial Institutions in accordance with its Anticorruption Policy.
 - c. Consultants and any of their personnel and agents, and their sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers and any of their personnel and agents are required to fully cooperate with any investigation conducted by the Fund, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to this selection process or the execution of the contract and to have such accounts, premises, records and documents audited and/or inspected by auditors and/or investigators appointed by the Fund.
 - d. Consultants have the ongoing obligation to disclose in their EOI and later in writing as may become relevant: (i) any administrative sanctions, criminal convictions or temporary suspensions of themselves or any of their key personnel or agents for fraud and corruption, and (ii) any commissions or fees paid or to be paid to agents or other parties in connection with this selection process or the execution of the contract. As a minimum, consultants must disclose the name and contact details of the agent or other party and the reason, amount and currency of the commission or fee paid or to be paid. Failure to comply with these disclosure obligations may lead to rejection of the EOI or termination of the contract.

8. Consultants are required to keep all records and documents, including electronic records,

¹ The policy is accessible at www.ifad.org/anticorruption_policy.

² The policy is accessible at <https://www.ifad.org/en/document-detail/asset/40738506>.

relating to this selection process available for a minimum of three (3) years after notification of completion of the process or, in case the consultant is awarded the contract, execution of the contract.

9. The Fund requires that all beneficiaries of IFAD funding or funds administered by IFAD, including the client, any consultants, implementing partners, service providers and suppliers, observe the highest standards of integrity during the procurement and execution of such contracts, and commit to combat money laundering and terrorism financing consistent with IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy.³
10. **Procedure:** the selection process will be conducted using the Quality- and Cost-based Selection (QCBS) as laid out in the IFAD Procurement Handbook that can be accessed via the IFAD website at www.ifad.org/project-procurement. The client will evaluate the EOIs using the criteria provided in **Annex 2**. The shortlisted consultant(s) will be provided with the detailed TORs and asked to submit a detailed technical and financial offer. The evaluation will include a review and verification of qualifications and past performance, including a reference check, prior to the contract award.
11. Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.
12. Any request for clarification on this REOI should be sent via e-mail: procurement@treasury.go.ke to the address below no later than **Friday 7th April, 2023 at 5.00 p.m. Kenyan Time**. The client will provide responses to all clarification requests by **Monday 10th April, 2023 at 5.00 p.m. Kenyan Time**.
13. **Submission Procedure:** please submit your Expression of Interest using the forms provided for this purpose. Your EOI should comprise one (1) original copy of each EOI form annexed to this document.
14. Completed Expression of Interest documents enclosed in a plain sealed envelope clearly marked "REOI for Provision of Consultancy Services for Baseline Survey for the Rural Kenya Financial Inclusion Facility (RK-FINFA)" and addressed to: -

The Principal Secretary
The National Treasury
Rural Kenya Financial Inclusion Facility (RK-FINFA) project
Harambee Avenue
6th Floor, room 619
P.O BOX 30007-00100,
Nairobi, Kenya
Tel:+254-20-2252299
Email: procurement@treasury.go.ke

³ The policy is accessible at <https://www.ifad.org/en/document-detail/asset/41942012>.

and be deposited in the Tender Box provided at the National Treasury Building, 6th Floor, Harambee Avenue, Nairobi, so as to be received on or before **Thursday 13th April, 2023 at 1100 hours, Kenyan Time.**

The Expression of Interest will be opened immediately after the closing date and time in the presence of candidates or their representatives who choose to attend at the National Treasury, Harambee Avenue, Nairobi, Conference Room on 6th Floor, Room 603 on **Thursday 13th April, 2023 at 1100 hours, Kenyan Time.**

**HEAD, SUPPLY CHAIN MANAGEMENT SERVICES.
FOR: PRINCIPAL SECRETARY / NATIONAL TREASURY**

Form EOI-1
EOI Submission Form

[Location, date]

[Authorized official]

Re: Consulting Services for *[insert assignment]*

Ref: *[insert]*

We, the undersigned, declare that:

1. We are expressing our interest in providing the consulting services for the above-mentioned assignment and have no reservations to the REOI, the instructions to the consultants and any addenda thereto.
2. Our expression of interest is open for acceptance for a period of One Hundred and Eighty (180) days.
3. Our firm, its associates, including any subcontractors or suppliers for any part of the contract, have not been declared ineligible by the Fund and have not been subject to sanctions or debarments under the laws or official regulations of the client's country or not been subject to a debarment recognized under the Agreement for Mutual Enforcement of Debarment Decisions (the "Cross-Debarment Agreement")⁴, beyond those declared in paragraph 9 of this EOI submission form.
4. We acknowledge and accept the IFAD Revised Policy on Preventing Fraud and Corruption in its Activities and Operations. We certify that neither our firm nor any person acting for us or on our behalf has engaged in any prohibited practices as provided in ITC Clause 6. Further, we acknowledge and understand our obligation to report to anticorruption@ifad.org any allegation of prohibited practice that comes to our attention during the selection process or the contract execution.
5. No attempt has been made or will be made by us to induce any other consultant to submit or not to submit an EOI for the purpose of restricting competition.
6. We acknowledge and accept the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. We certify that neither our firm nor any person acting for us or on our behalf has engaged in any sexual harassment, sexual exploitation or abuse. Further, we acknowledge and understand our obligation to report to ethicsoffice@ifad.org any allegation of sexual harassment, sexual exploitation and abuse that comes to our attention during the selection process or the contract execution.

⁴ The Cross-Debarment Agreement was entered into by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development, additional information may be located at: <http://crossdebarment.org/>.

7. The following commissions, gratuities, or fees have been paid or are to be paid with respect to the selection process: *[Insert complete name of each recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity.]*

Name of Recipient	Address	Reason	Amount	Currency

(If none has been paid or is to be paid, indicate “none.”)

8. We declare that neither our consulting firm nor any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners have any actual, potential or perceived conflict of interest as defined in ITC Clause 5 regarding this selection process or the execution of the contract. *[insert if needed: “other than the following:” and provide a detailed account of the actual, potential or perceived conflict].* We understand that we have an ongoing disclosure obligation on such actual, potential or perceived conflicts of interest and shall promptly inform the client and the Fund, should any such actual, potential or perceived conflicts of interest arise at any stage of the procurement process or contract execution.

9. The following criminal convictions, administrative sanctions (including debarments) and/or temporary suspensions have been imposed on our consulting firm and/or any of its directors, partners, proprietors, key personnel, agents, sub-consultants, sub-contractors, consortium and joint venture partners:

Nature of the measure (i.e., criminal conviction, administrative sanction or temporary suspension)	Imposed by	Name of party convicted, sanctioned or suspended (and relationship to the consultant)	Grounds for the measure (i.e., fraud in procurement or corruption in contract execution)	Date and time (duration) of measure

If no criminal convictions, administrative sanctions or temporary suspensions have been imposed, indicate “none”.

10. We acknowledge and understand that we shall promptly inform the client about any material change regarding the information provided in this EOI submission form.
11. We further understand that the failure to properly disclose any of information in connection with this EOI submission form may lead to appropriate actions, including our disqualification as consultant, the termination of the contract and any other as appropriate under the IFAD Policy on Preventing Fraud and Corruption in its Projects and Operations.
12. We understand that you are not bound to accept any EOI that you may receive.

[Authorized signatory]

[Name and title of signatory]

[Name and address of firm]

Form EOI-2
Organization of the Consultant

Re: Consulting Services for *[insert assignment]*

Ref: *[insert]*

[Provide a brief description of the background and organization of your firm/entity and of each associated firm for this assignment. Include the organization chart of your firm/entity. The EOI must demonstrate that the consultant has the organizational capability and to carry out the assignment. The qualifications document shall further demonstrate that the consultant has the capacity to field and provide experienced replacement personnel on short notice. Key staff CVs are not required at the shortlisting stage.]

Name of the firm	
Date of establishment	
Country of registration	
Full address of the firm	
Focal point: name, position, contact information (telephone, email):	Name:
	Tel:
	Email:
Number of branches in the country	
Country(ies) of operations with number of branches in each country	
Number of full-time employees	
Number of part-time employees	
Field(s) of expertise of the firm	
Number of professional staff with experience related directly to the assignment	
Subsidiary and associated companies (<i>wherever applicable</i>): (details in the following format to be provided for all associates) –	

(i) Name of the company (ii) Nature of business (iii) Address of the company (iv) Website of the company (v) Brief description of company (maximum of 120 words)	
Any other information that the consultant would like to add:	

Maximum 10 pages

Form EOI-3

Experience of the Consultant

Re: Consulting Services for *[insert assignment]*

Ref: *[insert]*

[Using the format below, provide information on each relevant assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under the preliminary terms of reference included in this EOI. The EOI must demonstrate that the consultant has a proven track record of successful experience in executing projects similar in substance, complexity, value, duration, and volume of services sought in this procurement.

Maximum 20 pages]

Assignment name:	Approx. value of the contract (in current US\$):
Country: Location within country:	Duration of assignment (months):
Name of client:	Total No. of staff-months of the assignment:
Address, and contact details (including email address(es)):	Approx. value of the services provided by your firm under the contract (in current US\$):
Start date (month/year): Completion date (month/year):	No. of professional staff-months provided by associated consultants:

Name of associated consultants, if any:	Name of proposed senior professional staff of your firm involved and functions performed (indicate most significant profiles such as project director/coordinator, team leader):
Narrative description of project:	
Description of actual services provided by your staff within the assignment:	

Name of Firm: _____

ANNEX 1

PRELIMINARY TERMS OF REFERENCE

CONSULTING SERVICES FOR PROVISION OF CONSULTANCY SERVICES FOR BASELINE SURVEY FOR THE RURAL KENYA FINANCIAL INCLUSION FACILITY (RK-FINFA)

BACKGROUND AND CONTEXT

1.1. General presentation of the project

The Government of Kenya (GoK) through the National Treasury and Planning in collaboration with International Fund for Agricultural Development (IFAD), is financing a six year Rural Kenya Financial Inclusion Facility (RK-FINFA) project. RK-FINFA supports the transformation of rural and smallholder agriculture sector through private sector-led development by improving the access of the smallholder farmers and rural micro, small and medium enterprises to appropriate financial services.

RK-FINFA was approved on 30 December 2021 and entered into force on 2 June 2022. Start-up activities for the project are now being undertaken in readiness for full operation period earmarked to commence in July 2023.

The total project cost is US\$ 134.05 million, in which IFAD financing constitutes US\$ 22 million while the rest will be co-financed from domestic sources as follows: the national government – US\$ 24 million in cash and in kind, domestic financing institutions is US\$ 85.75 million - mainly due to the leverage in loan guarantee operations, and the co-financing from non-government sector implementing partners – US\$ 2.3 million.

1.2. Institutional framework

The Lead Implementing Agency of RK-FINFA is the Directorate of Budget, Fiscal and Economic Affairs in the National Treasury and Planning (NT&P). The Directorate is headed by a Director General who is answerable to the Principal Secretary of the NT&P. The Project Management Unit (PMU) of RK-FINFA will be established at the NT&P, housed in the Financial and Sectoral Affairs Department.

The sub-components of the project are planned to be implemented by intermediaries or investing partner institutions, representing public, private and non-government organizations. Thus, while the lead agency of the project is the National Treasury, all RK-FINFA activities include pro-active co-operations with the private sector, including financial institutions, the farming community as well as micro, small and medium enterprises and larger processing and marketing companies in key agricultural value chains.

2. DESCRIPTION OF THE PROJECT

2.1. Objectives

The goal of RK-FINFA is poverty reduction, climate change adaptation and improved livelihoods in rural areas. The project objective is increased rural financial inclusion and green investments by agriculture value chain stakeholders, leading to equitable employment opportunities, innovative and resilient production systems, and increased incomes for smallholders, poor and marginalized rural households.

2.2. Duration of the project

RK-FINFA is a six-year development project spanning the period June 2022 to December 2028.

2.3. Project Area

The geographic coverage of RK-FINFA, once fully operational, will be nationwide. However the project's entry point is the following counties with ongoing IFAD-funded projects: Bungoma, Busia, Embu, Kakamega, Kirinyaga, Kisii, Machakos, Meru, Nakuru, Nandi, Nyeri, Siaya, Tharaka Nithi and Trans-Nzoia.

2.4. Target group

The project is expected to benefit 190,000 rural Kenyan households, including both direct and indirect clients. This includes direct financial and technical services to 68,000 households/micro, small and medium enterprises (MSMEs), covering an estimated 66,000 economically active smallholder households and 2,000 rural MSMEs engaged in smallholder-inclusive value chains. Indirect outreach of the project includes an estimated 32,000 persons through employment in the RK-FINFA supported agribusinesses and farms as well as 90,000 smallholder households through participation in the value chains strengthened by the supported agribusinesses. The targeting focus is on low-income, economically active rural households, with specific targets on 50 percent of women and 30 percent of youth participation in both capacity building and financing activities.

2.5. Theory of change

There is an acknowledged development problem of limited investment flow hindering modernization and improved income flows in the rural smallholder and agribusiness sectors in Kenya, despite high development potential and significant positive impacts on rural livelihoods and food systems development, poverty reduction and climate change resilience. This development challenge has been attributed to information and communication gap between the financial sector and agribusiness sector due to capacity constraints; high perceived risk and real risk of financing smallholder, agribusiness sectors, in particular of rural youth and women; and limited access to liquidity by rural MFBs and SACCOs, the last mile financial service providers, particularly to commit resources into new innovative approaches such as green finance.

RK-FINFA is expected address these underlying problems through providing technical support and innovation services to PFIs and their potential pipeline of clients from the smallholder and

agribusiness sectors in order to improve transparency and mutual understanding of the investment opportunities and risks; deploying investment instruments to help reduce the perceived risks and real lending risks and unlock private capital flows into agricultural value chains and to introduce rural outreach innovations; and facilitating liquidity to finance green investments of rural MFBs and SACCOs and to establish a long-term sustainable vehicle connecting non-bank financial institutions to liquid financial resources. At the same the provision of project support to an enabling environment for wider and innovative rural financial intermediation will set in motion a positive growth cycle that effectively supports the key target of transformation of the rural economy.

2.6. Components and main activities

To achieve the RK-FINFA Project Goal and Development Objective, the project activities are structured into three mutually reinforcing components: Component 1: Technical Support and Innovation Services (TSIS); Component 2: Rural Investment Instruments; and Component 3: Enabling Rural Finance Environment and Project Coordination.

Component 1: Technical Support and Innovation Services (TSIS). Through two fully inter-linked sub-components, Component 1 will (i) strengthen Participating Financial Institution (PFI) capacities for innovation, rural outreach and green finance services in Kenya, and (ii) build MSME and smallholder sustainable investment capacities and financial literacy skills particularly tailored to reach women, youth and marginalized groups. Both aspects of the TSIS, supply and demand side, will be embedded into the rural growth strategies of PFIs to foster sustainability and scalability and support the effective use of the resources provided through the project's Investment Instruments component. A co-financing partner organization/organizations will be engaged to coordinate the TSIS component.

Sub-component 1.1: PFI Capacity Building for Rural Outreach and Innovation. The expected outputs of this sub-component are: (i) the capacity of five participating commercial banks, six MFBs and 30 DT-SACCOs improved to provide rural and agriculture financial services including products tailored to youth and women; (ii) the capacity of all 41 PFIs built to implement and monitor green investment portfolios; and (iii) Environmental and Social Management Systems operationalized/strengthened by 41 PFIs.

Sub-component 1.2: Business Development Services for Agribusinesses and Smallholders. The expected outputs of this sub-component are: (i) 1,500 small and microenterprises receive Business Development Services (BDS) and are able to submit bankable business plans; and (ii) 50,000 male and female smallholder producers receive financial literacy training including for preparation of simple business plans appropriate for SACCO/MFB loan applications. The BDS is a key tool for social inclusion targeting of RK-FINFA: minimum of 50 percent women and 30 percent youth are included among all BDS clients.

Component 2: Rural Investment Instruments. The RK-FINFA will operate with two Rural Investment Instruments: (i) a Rural Credit Guarantee Scheme (R-CGS), and (ii) a Green Financing Facility (GFF). Both the R-CGS and the GFF will be designed as sustainable financing vehicles, which can utilize resources from the GoK and from interested international financiers to unlock private investment into Kenya's agricultural and agribusiness sector at attractive market terms through Kenyan financial institutions. The Technical Support and Innovation Services packages under Component 1 will support the PFIs in the implementation of the rural investment instruments, in line with each PFI's respective rural and agriculture finance strategy.

Identification and referral of agribusiness and smallholder candidates into the PFI funding pipelines are supported as described above in Component 1.2 (BDS and Financial Literacy services).

Sub-component 2.1: Rural Credit Guarantee Scheme (R-CGS). The strategy of the R-CGS is to provide risk sharing to promote rural outreach innovations and catalyze funding from Kenyan mainstream financial institutions into the rural and agriculture sector. The expected results of the R-CGS are: (i) supported by the R-CGS guarantee amount of US\$ 20 million, PFIs lend US\$ 80 million to rural MSMEs and agriculture value chains; (ii) 2,000 rural MSMEs have improved access to finance; (iii) 15,000 microenterprises and farmers have improved access to finance, including women and youth-owned enterprises, (iv) 30,000 smallholder farmers have improved access to finance with targeted products for women and youth, and (v) in overall the target of 30 percent women and youth among end-client groups is achieved.

Sub-component 2.2: Green Financing Facility. Sub-component 2.2 supports the target of the innovative and sustainable transformation of Kenyan rural economy through the operations and services of the Green Financing Facility (GFF), to be established with the RK-FINFA support. The GFF will contribute to the sustainable rural transformation, growth, and income generation through two fully interlinked methods: (a) alleviating the liquidity constraints of non-bank financial institutions that are the main financial service providers to smallholders and rural micro-enterprises, and (b) encouraging small-scale farmers and micro-firms to invest in climate-smart and environmentally friendly activities while promoting gender-equitable access to finance. The GFF initial investment by RK-FINFA is US\$ 20 million and it is expected to reach out to about 30,000 rural households through micro and small-scale loans. The GFF will be established as a permanent facility at a selected Host Financial Institution to provide wholesale capital to rurally oriented SACCOs and MFBs/MFIs, for on-lending to the smallholder sub-sector and rural micro-enterprises, targeting 50 percent women and 30 percent youth.

Component 3: Enabling Rural Finance Environment and Project Coordination. This component is divided into two sub-components: 3.1. Enabling Rural Finance Environment and 3.2. Project Coordination.

Sub-component 3.1. Enabling Rural Finance Environment. The aim of Sub-component 3.1 activities is to promote policies and institutional arrangements that support the medium and longer-term development of a more conducive operational environment for the Rural Credit Guarantee Scheme and the Green Financing Facility, therefore, fostering their capacity to improve rural financial intermediation through their increased rural outreach and impact to IFAD target groups including smallholders, women and youth.

2.7. Budget

The project's initial total budget is US\$ 134 million. IFAD's loan is projected to finance US\$ 22 million. Co-financing from participating financial institutions is estimated at US\$ 85.75 million, covering 64 percent of the total project costs, mainly due to the leverage in loan guarantee operations. The GoK contribution is budgeted to cover US\$ 24 million in cash and kind, covering 18 percent of the total project costs. The share of co-financing from non-government sector implementing partners is US\$ 2.3million, or two percent of the project costs.

3. PURPOSE AND OBJECTIVES OF THE CONSULTANCY

3.1. Purpose

The planned study aims at carrying out a baseline survey which will consist of quantitative and qualitative information. It will provide an information base against which to monitor and assess RK-FINFA's progress and effectiveness during implementation and after the project is completed. RK-FINFA seeks to impact on the beneficiaries' access to financial services, increased productivity of rural enterprises, and climate resilience. Accordingly, this study will provide baseline information for comparing project's results before and after intervention and in areas with and without the intervention.

3.2. Objectives

The main objective of the study is to develop the sample design, conduct the data collection and analysis and report writing of the baseline survey to be used for the project monitoring and evaluation process. The information to be collected includes information related to project activities in order to derive data for routine monitoring of implementation as well as evaluating the project's outcome and impact.

The quantitative baseline survey will measure the baseline values of RK-FINFA's outcomes and impact indicators and individual/household characteristics at project start. The baseline survey will be conducted on a sample of potential beneficiaries from the eligible population. This study will need to provide information on beneficiaries and comparison groups before the programme is implemented, thus measuring pre-intervention outcomes and establishing benchmark information for selected indicators. The analysis of baseline data will also be used to assess targeting effectiveness, that is, whether or not RK-FINFA is going to reach its intended beneficiaries. The qualitative data to be collected from potential beneficiary SACCOs, MSMEs and PFIs, as well as key informants from local and national institutions, to develop a rich picture and in-depth understanding of the baseline context for the project.

4. METHODOLOGICAL REQUIREMENTS FOR THE SURVEY

The project intends to conduct a baseline survey to obtain both quantitative and qualitative data that will enable to monitor and evaluate the project's results. The scope of the services required under this terms of reference include the collection of data at household, producer's organization, rural enterprises, financial institutions. The set of indicators to be collected will be based on the project's log-frame indicators. The study will follow a quasi-experimental approach, thus it will entail collecting data on both treatment and control groups.

4.1. Questionnaire and variables

A draft questionnaire that integrates the logframe outputs, outcomes and impact indicators will be shared and discussed with the successful bidder. That draft questionnaire might be reorganized and complemented but the outcome related-questions from the original draft questionnaire should remain the same across the project's subcomponents and survey areas. The administration of the questionnaire is expected to take a maximum of 30 minutes per household and a rural enterprise. Focus group discussions and key informant interviews should also take the least time possible.

4.2. Sample frame

The project team will provide a listing of potential beneficiaries in order to facilitate the drawing of the sample within the eligible population.

4.3. Sampling method

During the determination of the sample size from the list of eligible population, the consulting firm is expected to generate an adequate sample size possible for apportioning of a treatment and a comparison group in order to enable establishing of attribution in future project evaluation studies. It is preferred that the units of analysis (households, producer organizations, rural enterprises, financial institutions) sampled at the baseline be retained for assessment at mid-term to monitor changes in outcomes (only the treatment group sample), and at the end of the project to assess final outcomes. Accordingly, the sampling should adopt the panel data structure.

4.4. Sample size

To determine the sample size to be used in the baseline survey, it is recommended that the statistical formula be used. IFAD recommends the use of the World Bank power formula given as:

$$N = \frac{4\sigma^2(Z_\alpha + Z_\beta)^2}{D^2}$$

Where

DD – the effect size – is the impact on the outcome variable measured as a difference in means. Note that in a contribution-based study, this will be based on the difference in the outcome before and after the project intervention; in an attribution-based study, it will be the difference between the treatment and the comparison groups outcomes, i.e., with and without the project intervention.

$\sigma^2\sigma^2$ – the variance (‘sigma’) in population outcome metric; or how wide of a range of differences you expect in the outcome that you will measure (changes in income). This can be difficult to calculate – the best way is to have secondary data or data previously collected (national household survey, project assessment, piloting data, data from previous projects, etc.).

ZZ – The values of z are taken from a table depending on the values of $\alpha\alpha$ and $\beta\beta$. $\alpha\alpha$ – relates to “type I error” while $\beta\beta$ – relates to “type II error”.

In terms of the qualitative data collection, this should consist of approximately 10 Key Informant Interviews and 15 Focus Group Discussions.

4.5. Probability sampling

Identification of samples for the baseline study survey will be based on probability sampling. Potential beneficiaries for the RK-FINFA project will be initially drawn from the ongoing IFAD-

funded projects. Since these ongoing projects are based on value chains, sampling procedure will necessarily consider value chains. Other considerations for the sampling methodology include geographical locations, income classes, level of economic activity, gender and age profiles. Appropriate probabilistic sampling methodologies for other units of analysis such as rural economic enterprises and financial institutions will need to be considered.

4.6. Data quality control

To ensure high quality standards of the data used in the baseline study, the tendering consulting firms will be required to demonstrate mechanisms for data quality control as well as the inbuilt strategies for data quality assurance

4.7. Computer entry

Computerized data collection in the field by using electronic devices is required to minimize errors and to reduce the time lag between data collection and data analysis. This system will also facilitate recording the GPS coordinates of the samples for the purpose of geo-referencing the potential beneficiaries.

4.8. Analysis and report

Detailed descriptive analyses of the data collected to provide quantitative as well as qualitative information on the current status of the potential beneficiaries' access to financial services, productivity of rural enterprises and climate resilience before the project is implemented. As such, analysis should ensure to capture necessary content to benchmark all future activities of the project as well as reference point for making project management decisions.

Once the surveys have been conducted and their quality controlled, the analysis of the results should be presented in a report. While writing the report, the firm will work in close collaboration with the RK-FINFA project management unit staff. The report summarizes the conclusions emerging from the analysis and includes the following elements:

- the description of the methodology used
- the questionnaire and qualitative instruments
- the list of villages/communities surveyed
- the results of the survey and summary of qualitative data
- the updated logframe (at least core indicators at outcome levels)
- the theory of change and its description based on the results of the survey
- the analysis and interpretation of the results (detailed analysis with statistical significance and summarized tables for each indicator)

The survey database and qualitative transcripts should also be provided to project staff and IFAD.

5. DETAILED LIST OF ACTIVITIES AND DELIVERABLES

The consulting firm will work in close collaboration with RK-FINFA and under the supervision of IFAD in the development and supervision of all phases of data collection and the subsequent analysis and interpretation of the dataset.

5.1. List of activities

Phase 1 - Inception phase

RK-FINFA will provide key background documentation to the firm (project design reports, logframe, ToC, etc), preliminary listing of potential beneficiaries and related data from whence the consulting firm will develop the initial situation analysis.

Phase 2 –Sampling strategy and survey instrument development

In this phase, the following activities will be undertaken;

- Development of the survey questionnaire and qualitative instruments based on the draft provided by the project, and programming of questionnaire into survey software
- Development of the sampling design
- Clearance by RK-FINFA PMU and IFAD of pilot sampling design and the questionnaire
- Develop interview manuals and instructions for field staff
- Training of interviewers for the pilot study
- Pilot study fieldwork
- Revision of the pilot study questionnaires
- Analysis of pilot study results, introducing adjustments to the draft questionnaire
- Development of the final questionnaire
- Development of an appropriate data management system with adequate quality controls
- Clearance of the final questionnaire and sampling design by RK-FINFA PMU and IFAD

Phase 3 – Fieldwork Activities

In this phase, the following activities will be undertaken;

- Preparation for field work (recruitment of interviewers, distributing tablets for questionnaires and other fieldwork documents).
- Staffing and enumerator training
- Administrative approval from necessary authorities
- Quantitative data collection at the household levels
- Data quality control
- Qualitative data collection from selected SACCOs, MSMEs, PFIs and key informants from local and national institutions (focus group discussion/key informant interviews as appropriate)

Phase 4 - Data processing, analysis and final report preparation

In this phase, the following activities will be undertaken;

- Database formation
- Data entry and cleaning
- Statistical analysis of the survey data
- Analysis of the qualitative data for themes and insights
- Preparation of the final report
- Translation of the final report
- Clearance of the report

5.2. Deliverables

The successful bidder is expected to produce the following deliverables for this project; The total duration for the assignment shall be a maximum of fourteen weeks from the date the contract is signed. The deliverables schedule mapped to this timeline is as shown in the table below:

Deliverable/Output	Timeline/Date
1. Signed contract	Kick-off meeting with consultant
2. Draft inception report, that includes survey design describing the sampling strategy, data collection instruments and data entry methodology	1 week from commencement
3. Training workshops for development of data collection tools	3-day workshop
4. Final inception report (<i>with feedback from RK-FINFA PMU incorporated</i>)	1 week after incorporating RK-FINFA PMU feedback
Final questionnaire including electronic format (Stata, SPSS or SAS).	1 week after incorporating RK-FINFA PMU feedback
Training manual for field staff and enumerators	One week before the training workshop
5. Training workshop for enumerators and data entry clerks	4-day workshop
6. Field data collection	4 weeks (<i>duration</i>)
7. First draft baseline survey report	4 weeks after approval of final inception report
8. First draft baseline survey report (<i>with feedback from RK-FINFA PMU incorporated</i>)	1 week after submission of the first draft baseline report
9. Presentation to stakeholders workshops	1 week after submission of the RK-FINFA PMU-commented draft baseline report
10. Second draft baseline survey report (<i>with feedback from stakeholders incorporated</i>)	1 week after stakeholders validation workshop
11. Final baseline survey report (<i>including final database of raw data collected and used for analysis in a memory stick, CD ROM or DVD</i>)	2 weeks after submission of the second draft baseline report

The expected tasks for the firm should be performed in accordance with a mutually agreed schedule. Final deliverables should be submitted according to this schedule and within the limits of the contract duration.

Deliverables are subject to agreement by RK-FINFA PMU and IFAD and preliminary versions should therefore be submitted by the firm in time allowing for comments to be shared and if required changes to be introduced by the firm.

6. COMPETENCIES REQUIRED

6.1. Firm expertise and required qualifications

The selected firm shall possess the following qualifications:

- Previous experience in carrying out evaluation surveys is a compulsory requirement, including demonstrated experience in designing and conducting evaluations and of organizing surveys on the scale of this project (including survey and sampling design and electronic questionnaires)
- Strong capacity and experience in planning and organizing survey logistics
- Solid understanding of rural development, with a focus on participatory processes, joint management, rural financing and gender issues
- Experience in highlighting, mainstreaming and tracking of socioeconomic empowerment and inclusion issues in development interventions
- Good network of experienced enumerators, supervisors and data entry clerks
- Strong capacity in data management and statistics
- Strong capacity in survey analysis and reporting of results
- Strong interpersonal skills and a team oriented spirit
- Experience doing household survey and qualitative work and carrying out evaluations in Kenya
- Strong background in statistics and econometrics. This includes, but not limited to, GIS – enabled field data collection systems and advanced quantitative and qualitative data analysis resources such as Ms-Excel, Stata, R, nVivo, ATLAS.ti

ANNEX 2

Qualification and Evaluation Criteria

Preliminary Mandatory Requirements

- a) Valid Tax compliance certificate from Kenya Revenue Authority (KRA)
- b) Copy of Business Registration/Certificate of incorporation
- c) valid trading license/Business permit
- d) CR12 for limited companies, detailing the list of Directors and shareholding & copies of Identification Cards (ID) for Directors.

Item	Criteria	Points
For specific experience, evidence shall include successful experience in the execution of at least 3 projects of a similar nature and scope of works during the last 5 years.		
A.	General experience	10
(i)	General experience: Firm has been in existence for 5 years	10
B.	Specific experience	90
(i)	5 years' experience conducting similar survey fieldwork i.e. designing of surveys, data collection, validation, entry and analysis, quality assurance for development Programmes' in Kenya or in the East Africa region	40
(ii)	Demonstrate experience in development Programmes' working in rural settings in the thematic areas of agriculture, trade and development, economic empowerment and social issues including gender-based social inclusion including Excellent stakeholder engagement skills and working in diverse cultural setting	30
(iii)	Experience in using Statistical Modelling Tools such as SPSS, Stata, Power BI, Advanced Excel or other similar software for data analysis.	10
(iv)	Demonstrate capacity to conduct the surveys in Kenya or in the East Africa Region within a strictly specified time frame	10
	Total Points	100
	Minimum points required to pass	80 points