

TERMS OF REFERENCE

AFRICA BIMALAB INSURTECH ACCELERATOR PROGRAMME 2024

1. Introduction

The recent shocks such as the COVID-19 pandemic and numerous climate events have highlighted more starkly than ever before the vulnerability of low-income households in facing multi-hazards shocks in Africa. In fact, shocks cascade and compound typically in complex ways with broad social, economic, and environmental implications. Strengthening resilience in the face of complex shocks requires transitioning from treating hazards in isolation to recognizing the systemic nature of risk. Existing insurance solutions do not leverage the new technologies while insurtechs are still in the early stages and do not have the technical resources and funding for scale.

New, innovative, and lower-cost insurance business models can address today's multi-hazards shocks. These models use connectivity, data, and digitization to better meet the needs of low-income and marginalized populations. Insurtechs can develop solutions that will lower the cost of distribution and reach uninsured or underserved people in remote areas who could not access traditional indemnity, high-cost insurance. Innovative, affordable, and growing high-impact insurance can be critical drivers of inclusive societal resilience, delivering essential products and services to the Africa's poor and rural populations. However, to accomplish this, insurtechs in emerging markets require technical skills, regulatory support, and catalytic capital to enter new sectors and reach low-income households. Many innovators in the insurance industry struggle grow their businesses due to lack of skills, failure to attract flexible, patient, and catalytic capital and lack of clarity to overcome regulatory, infrastructure, and other market barriers that impede impact and scale

Africa is still facing several challenges particularly in delivering relevant products to customers at the base of the economic pyramid. Only 3% of Africa's GDP is driven by insurance, which is less than half the world average of 7%. Yet, insurance provides a safety net from many external threats like natural disasters, health threats, and economic disruptions. Digital technologies are rapidly changing the insurance landscape in sub-Saharan Africa. New digital technologies have the potential to enhance financial inclusion by providing access to unserved and underserved customers. Digitization can also bring down administrative costs, introduce new business models adapted to the needs of customers and enhance client value. Innovation within the insurance sector has been slow. Regulatory authorities are not catalyzing innovation, hence the use of technology, insurance penetration to all has been impacted.

BimaLab program was set up to address challenges that insurtechs are facing such as lack of technical capacity, access to funding, access to strategic partnerships, and regulatory barriers. The growth of insurtechs is also held back by a lack of knowledge on product development, consumer behavior, and entrepreneurship skills. Furthermore, while insurtechs may receive the seed, or early stage, funding, growth stage finance is much harder to come by. As such, insurtechs in this space stagnate and fail because they don't receive the investment, they need to overcome high barriers to market entry. Legal and regulatory barriers lead to market fragmentation that impedes scale. Compliance with different regulatory frameworks poses not only commercial and operational challenges but also practical engagement challenges with regulators who may not have relevant knowledge outside their core area of regulatory expertise. Insurtechs also lack structures for promoting partnerships especially when they want to access insurance markets, insurance companies, and potential investors.

BimaLab started in Kenya with the first cohort in July 2020 and has since expanded to 10 African countries: Kenya, Ghana, Nigeria, Ethiopia, Uganda, Rwanda, Zimbabwe, South Africa, Egypt, and Morocco. The program has enabled 63 startups to gain visibility and push for resources to scale their innovations. 38 startups have managed to sign strategic partnership agreements and have taken their products to the market. 70 products and services have been developed for the ten countries. Over 3,000,000 customers have been reached and over USD 10 million was raised by the BimaLab insurtechs.

BimaLab Insurtech Accelerator Program is aimed at creating an enabling environment for insurance fostering innovation, growth and strategic partnerships as well as reaching underserved markets and creating improved customer value. In 2023, the program accelerated 23 insurtechs and supported 9 regulators across 10 African countries with the intention of catalyzing insurtech start-up growth and inclusive insurance penetration. The program has harnessed innovation for inclusion and enhanced access to insurance products and services in the participating countries. FSD Africa is therefore seeking the services of a consultant to implement the Africa BimaLab Accelerator Program 2024. The consultant will be expected to work closely with staff in the implementing countries and FSD Africa's Principal, Innovation for Resilience, during the consultancy period.

2. Background

2.1. Project goals

The goal of the BimaLab Insurtech Accelerator Program is to create insurtech innovation ecosystem focused on (i) supporting growth of insurtechs (ii) reaching underserved markets (particularly for households and communities that are inherently unprotected), (iii) creating an enabling regulatory environment and (iv) improving customer value. Through the BimaLab programme, FSD Africa is seeking to accelerate 25 insurtechs across 15 African countries with the intention of catalyzing insurtech start-up growth and inclusive insurance penetration. By scaling the BimaLab program to 15 countries and later more in Africa the benefits of economies of scale, shared knowledge, and increased opportunities for learning across Africa are gained.

FSD Africa believes that a strong, fair, and accessible financial system is crucial to a sustainable future for Africa's people and its environment. In particular, BimaLab programme can play a major role in tackling climate vulnerability, health, and SMEs by harnessing the power of insurtech innovation to address market barriers by building out much-needed resilience solutions.

2.2. Financial Sector Deepening Africa (FSD Africa)

FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government. It provides tools and resources to drive large-scale change in financial markets and support sustainable economic development. It addresses financial market failures to bring about growth and opportunity. Their business is to help create a sustainable future for Africa's people and its natural environment. FSD Africa's programming is designed to address systemic challenges within Africa's financial markets, with the aim of sparking large-scale and long-term change. Interventions are designed from the ground up, to ensure that Africa's financial markets better serve those most in need - today, and long after our programmes end. A team of 35 financial sector experts works to strengthen, expand and deepen Africa's financial sector.

FSD Africa partners with all the critical branches of Africa's financial markets, to develop effective financial sector development programs. Their programs are designed to address the most pressing challenges facing Africa's financial sector, from long-term finance to climate change to affordable housing.

3. Scope of work

The overall goal of the program is to create an Insurtech ecosystem for growth and strategic partnerships. The program is to bring together the insurance ecosystem i.e. the innovators, investors, corporate partners, and regulators which enables growth, strategic partnerships, and enabling regulatory environment. BimaLab is expected to attract, inspire, and organize key players and disruptors across the financial industry and technologies to collaborate on ground-breaking, innovative insurance products and services.

The program has the following unique objectives:

- a) foster innovation that can extend access to insurance products and services to communities and businesses that are historically underserved or excluded.
- b) Turn validated insurance-focused ideas to market and investor-ready
- c) Provide innovators with an enabling regulatory environment for developing their ideas, including support in starting out, training, mentorship, and coaching.
- d) Facilitate the effective exchange of information relating to the deepening of access to financial services and opportunities for entrepreneurs across Africa.
- e) Create new networks and strengthen existing networks leading to strategic partnerships

The program supports the ecosystem towards growth, partnerships, regulatory sandboxing, and customer/market acquisition in the insurance industry which addresses the weak demand for and low-quality supply of risk solutions, and restrictive enabling environments that impact across risk markets in Africa. The program will borrow from previous BimaLab programmes and global best practices in the world to provide the most competitive and attractive start-up accelerator program. The program will work with twenty-five (25) businesses at MVP and post-revenue stage to join the acceleration track from fifteen countries. The countries are Nigeria, Ghana, Ivory Coast, Senegal, Kenya, Ethiopia, Uganda, Rwanda, Tanzania, Somalia, Zimbabwe, Zambia, Malawi, Egypt, Morocco.

The consultant will be expected to:

Project Phase	Key Activities	Outcomes
1. Africa BimaLab Program Envisioning	<ul style="list-style-type: none"> - Development of a detailed workplan - Development of a project execution strategy 	<ul style="list-style-type: none"> - Work plan - Execution strategy
2. Sourcing & Selection (Call for applications in 15 countries, application portal, review, and selection)	<ul style="list-style-type: none"> - Program Launch (presentations and Keynote) - Media and PR for outreach and publicity - Have representatives from our partners, insurance industry, other key ecosystem builders to officially launch the project - Marketing (sensitization meetups, online and mainstream advertising) - Online shortlisting of up to 50 applications for digital face-to-face interviews (through digital chat rooms) - Selection - 25 startups for acceleration - Scouting, recruitment, and shortlisting 	<ul style="list-style-type: none"> - Create awareness - A database of interested participants - 25 startups will be selected to advance to the BimaLab program
3. Insurtech Acceleration (needs analysis, technical support, training, and mentorship for the insurtechs, physical engagements and workshops)	<ul style="list-style-type: none"> - Business assessment - Training - Mentoring - Coaching - Network and linkages for start-ups events - Meet the corporates - Regulatory and policy sessions - Technical support (Product Development, infrastructure, and space) 	<ul style="list-style-type: none"> - 5 learning cycles developed and implemented - 25 individual, tailored sessions with insurtech participants - Onboarding on Digital BimaLab Insurtech platform - 25 mentors and 25 advisors onboarded. - 15 strategic partnerships achieved. - customer/market connections created
4. Regulatory Engagements (training and technical assistance of insurance regulators)	<ul style="list-style-type: none"> - training and technical assistance of insurance regulators. This will encourage and involve regulators in insurance innovation, to reduce any regulatory barriers in supporting insurtechs, to create a learning environment across 	<ul style="list-style-type: none"> - Create an insurance innovation portrait to support insurance regulatory authorities in selected countries to strike the balancing act

	countries, and to increasing regulator knowledge base on insurtech innovation.	between innovation and risk
5. Demo Day - teams to pitch and demo their solutions for potential partners and customers	<ul style="list-style-type: none"> - Presentations and demos - Chat rooms for further negotiations and understanding of collaboration opportunities or business transactions. 	25 teams exposed to opportunities to close deals and partnership agreements.

4. Deliverables

The deliverables under this contract are as follows:

- a) Initial Report on scouting, recruitment, and shortlisting of insurtech’s to participate in the BimaLab
- b) Insurtech Acceleration Progress Report (at least Monthly)
- c) Logistical support on hosting the BimaLab Demo Day.
- d) Administrative Support of the digital BimaLab platform
- e) digital photos and a short video of the Project (highest possible resolution, should show the empowered communities, and how the solutions provided by the organization makes them strong and resilient)
- f) Insurance innovation portrait to support insurance regulatory authorities in selected countries
- g) A final report documenting all the components required under these deliverables.

5. Timelines

The project shall be implemented under a 9-month consultancy contract. The consultant shall provide periodic update reports on the progress of implementation of the project as per the deliverables.

Item	Timeline
Inception Report and Implementation Plan	Within two weeks of signing the contract
Report on scouting, recruitment, and shortlisting of insurtech’s	Within the first month of contract signing
Insurtech Acceleration Progress Reports	End of each month from the date of contract signing
Insurance innovation portrait report	One month before the end of the 9-month consultancy period
Final report, digital photos, and short video	Two weeks before the end of the 9-month consultancy period

6. Invitation to Tender

FSD Africa are inviting proposals from suitably qualified consultant(s). Your proposal should contain:

- i. A description of the Consultant’s understanding of the objective of the assignment as outlined in these terms of reference and their role in fulfilling this objective.
- ii. A description of the Consultant’s proposed approach to undertaking the work, including any suggestions on how to vary or supplement the identify tasks in order to ensure successful completion of the consultancy.
- iii. A profile of the team leader and other key team members that will undertake the work, including explanation of their specific roles and responsibilities in relation to the assignment. This description should be supported by tailored CVs (in an annex, no more than 3 pages per CV).
- iv. A short summary of relevant experience (tailored to the assignment) and referrals for similar work done in the last three years.
- v. A detailed timeline, including submission of key deliverables.
- vi. An itemized activity-based budget for both professional fees and reimbursable expenses. The budget should include all applicable taxes.

Submitted proposals should not exceed 10 pages (excluding annexures). The review will be based on the main proposal. This should be sent by email to FSD Africa at bids@fsdafrica.org by **noon (EAT) on 16th February 2024** under a subject line reading ‘Invitation to tender: Africa BimaLab Programme 2024’.

Applications received after the deadline will not be considered.

7. Basis of award

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

Mandatory requirements	
Undertaken at least 3 comparable assignments in the last 5 years.	
Experience in similar work in Sub-Saharan Africa or other emerging economies or comparable markets.	
Understanding/interpretation of the task set out in the TORs including detailed implementation plan	
Most economically advantageous	

Assessment Criteria

Item	Timeline	Weighting (%)
Experience	Undertaken at least 3 comparable assignments in the last 5 years	20%
	Experience in similar work in Sub-Saharan Africa or other emerging economies or comparable markets	20%
Skills and qualification	At least a master’s degree or equivalent post-graduate and/or professional qualifications in Project management, or any other related field.	5%
Methodology	Understanding/interpretation of the task set out in the TORs including a detailed implementation plan	25%

Fee basis and total costs	Most economically advantageous, where the computation will be based using the below formula $FS = 30\% \times LB/BP$ where: 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 30%. Fee quoted must be inclusive of applicable withholding tax	30
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 noon (EAT) 08 February 2024** and feedback will be provided by **4 pm (EAT) 09 February 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%
Zambia	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>			