

**TERMS OF REFERENCE**

**TRACKING CHANGES IN THE FRAGILITY AND VULNERABILITY OF INDIVIDUALS ARISING FROM FSD AFRICA’S INTERVENTIONS**

**1. Introduction**

The objective of this assignment is to design a study that enables FSD Africa to report on how interventions in FSD Africa’s portfolio have had an impact on the resilience of individuals, households and MSMEs to shocks. A broad range of types of shocks is relevant here – including those arising from illness, environmental disasters (including climate change) and financial shocks. In particular, the aim of the study is to gather data from target beneficiaries themselves on how they perceive any changes to their own resilience.

**2. Background**

FSD Africa is a specialist development agency working to make finance work for Africa’s future. It was established in 2012 and is supported by UK aid. It is incorporated as a non-profit company limited by guarantee in Kenya. FSD Africa’s programmes are designed to address systemic challenges within Africa’s financial markets, with the aim of sparking large-scale and long-term change. Its interventions are designed to ensure that Africa’s financial markets better serve those most in need.

FSD Africa’s interventions in financial markets are designed to deliver three broad impacts: economic opportunities created, environmental benefits delivered and fragility and vulnerability addressed. Amongst the interventions aimed at this third impact are ones designed to improve the resilience of MSMEs and low-income populations in the face of shocks, thus reducing the fragility and vulnerability of individuals. FSD Africa has an **outcome** metric to track the number of people that have been supported by FSD Africa interventions designed to improve resilience.

Long-term outcome	Metrics
Increased resilience of MSMEs and low-income populations to illness, environmental disasters and financial shocks.	Number of people supported to increase resilience to (a) illness (b) environmental disasters and (c) financial shocks – based on the products and services that they have acquired through FSD Africa support
	Number of people supported to better adapt to the effects of climate change as a result of FSD Africa support - ICF indicator - disaggregated by direct beneficiaries and indirect beneficiaries.

FSD Africa is also keen to measure the **impact** and establish the extent to which people who have been reached by these FSD Africa interventions to improve resilience actually do feel more protected against shocks.

Impact	Metric
Fragility and vulnerability addressed	Proportion (%) of individuals and small businesses (MSMEs) reached by FSD Africa who feel protected against a) illness, b) environmental shocks, and c) financial shocks; and equipped with the human, social and environmental capital they need for the future

FSD Africa has made several interventions that are intended to improve the resilience of individuals, households and small businesses to shocks. In order to meet the criteria for inclusion in this study, they need to be operational and they need to allow for identification of specific named beneficiaries. The interventions that meet these criteria are outlined in the table below.

Dimension of resilience	Explanation	Types of intervention relevant to FSD Africa	Example from FSD Africa portfolio
<i>Livelihood viability and financial innovation</i>	The extent to which people can thrive in the face of shocks to their livelihoods and positively adjust to change	Finance for technologies enabling adaptation to climate shocks Finance for diversification of activities (especially away from climate-dependent sources of income) Finance that enables better spreading of risk for individuals	<ul style="list-style-type: none"> <li>• ACORN (Rabobank)</li> <li>• Bimalabs</li> <li>• Nithio</li> <li>• Persistent</li> <li>• Blue Orchard</li> </ul>
<i>Contingency resources and support access</i>	Access to back-up resources and appropriate assistance in times of crisis	Savings products, weather insurance, flood risk resilience, healthcare	<ul style="list-style-type: none"> <li>• Data Driven Finance</li> <li>• People's Pension Holdings</li> </ul>
<i>Integrity of natural and built environment</i>	Health of local ecosystems, soundness of natural resource management practices, and robustness of essential physical infrastructure	Investments in nature-based solutions that improve local ecosystems to protect people. Development of improved building standards for construction finance eligibility	<ul style="list-style-type: none"> <li>• None yet</li> </ul>

Dimension of resilience	Explanation	Types of intervention relevant to FSD Africa	Example from FSD Africa portfolio
<i>Social and institutional capability</i>	Formal and informal institutions may be able to reduce risk, support positive adaptations and ensure equitable access to essential services in times of shock or stress.	Sustainable insurance Paytech for cash distribution in disaster emergencies Other data-driven finance	<ul style="list-style-type: none"> <li>• Nyala</li> <li>• Some Lendable tech investees</li> </ul>

To date, FSD Africa has sought to track the number of people reached through interventions that are designed to increase individual or household resilience. The assignment outlined in these Terms of Reference is to gather information from beneficiaries on the ground about their perception of their own resilience to shocks.

More detail on the selected interventions is at the Appendix.

### 3. The assignment

The assignment is to gather information from a sample of individuals benefiting from the interventions outlined in section 3 above, to enable FSD Africa to understand how / whether the intervention has made them feel less vulnerable to shocks.

In pursuit of that overall objective, the consultant is requested to -

- i. Consider the ways in which the interventions outlined in section (2) above and Appendix 2 are intended to improve resilience.
- ii. Contact the selected organisations and determine the quality of their records and their ability to provide contact details for beneficiaries of the interventions.
- iii. Select a suitable sample of beneficiaries who can be included in the survey. Ideally, the sample should be representative of the portfolio as a whole and also sufficiently large to allow for meaningful conclusions to be drawn.
- iv. Design a set of questions that can be asked of the sample of beneficiaries of the selected interventions, to understand how they view their own resilience and how that has changed since (ideally as a result of) the project. There may need to be more than one set of questions to allow for the different types of intervention.
- v. Design a suitable process for gathering responses from the individuals concerned.
- vi. Carry out the survey.
- vii. Produce a report that provides an analysis of the results and explains what conclusions can be drawn.
- viii. Distil and report on the learning arising from the overall exercise, both for investment selection and for monitoring and evaluation, and offer recommendations.

The size and geographical spread of the survey will be a significant factor in determining the cost of delivering the survey. FSD Africa welcomes suggestions from bidders on how best to manage the spread of activities and geographies.

#### 4. **Recognised challenges**

FSD Africa is fully aware that there will be several challenges in gathering the data. The consultants will have to consider and address these in the design of their proposal, suggesting how meaningful results can be achieved despite these challenges, which include the following -

- (a) It may not be straightforward to identify and contact beneficiaries, even those that have a direct link to the intervention (for example, buying an insurance product or receiving cash directly from a project) if the records of customers of these services are poorly kept. FSD Africa believes that the selected organisations will have suitable records but this will need to be assessed in more detail.
- (b) Even where the beneficiaries have a close link to the intervention, it may be difficult for them to isolate how the FSD Africa intervention has affected their feelings of resilience when other factors will also have had an effect
- (c) As with all surveys of this kind, it may be difficult to gather views without bias or distortion.

#### 5. **Key Outputs**

The key output is a report:

- a. providing qualitative and quantitative analysis of the findings of the survey
- b. offering recommendations for investment selection and for monitoring and evaluation of such projects in the future.

#### 6. **Key Timelines**

Based on selection of the approved bidder **and contracting complete by 30<sup>th</sup> April 2024**, the timeline is as follows -

Deliverable	Timelines
Survey design completed	By 12th May 2024
Survey completed	By 12th July 2024
Draft report	By 19 July 2024
Final report	By end July 2024

#### 7. **Timeframe**

The contract duration is three months between May and July 2024.

#### 8. **Invitation to Tender**

FSD Africa would like to invite suitably qualified consultancy firms to submit a written proposal discussing the approach you intend to use to execute the tasks described in this Terms of Reference. The proposal should contain:

- a. Your interpretation of the tasks set out in the ToR. Please include any positive criticism of the approach proposed by FSD Africa and highlight any risks/challenges you perceive facing on this assignment.
- b. A budget for both professional fees and reimbursable expenses as per Annex 1 below. Provide a breakdown of the professional fees (consultant allocation and day rate) and reimbursable expenses.
- c. A confirmation of your team, plus an indication of how tasks above will be shared. Include CVs of key individuals.

Proposals should be submitted to FSD Africa by email – bids@fsdafrica.org, by **noon (EAT) on 01 May 2024** under a subject line reading 'Invitation to tender: **Tracking changes in the fragility and vulnerability of individuals**

Short-listed bidders will be contacted by May 2024.

## 9. **Basis of Award**

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

Mandatory Requirements	
Over 5 years' experience in similar work in Sub-Saharan Africa or other emerging economies designing and implementing surveys of target beneficiaries	
Sound and in-depth knowledge of Africa's financial markets and how financial market interventions might be expected to drive improvements in the resilience of individuals and households	
Available to start at the required time and have the capacity to engage intensively with this assignment with a view to concluding the work within the proposed timeframe	
Assessment criteria	Weighting (%)
Relevant, demonstrated experience and capacity of the firm and/or proposed team member(s) in this area as indicated in the mandatory requirements. Please provide at least three references.	40%
Understanding/interpretation of the task set out in the TORs	20%
Clarity, content, and quality of the proposal, including a proposed approach/methodology and detailed workplan for achieving the consultancy objectives.	25%

<p>Fee basis, value for money and total costs. There should be a clear breakdown of the costs. Financial proposal will be scored using the formulae;</p> <p>FS = 15% x LB/BP where:</p> <p>FS = is the financial score</p> <p>LB = is the lowest bid quoted</p> <p>BP = is the bid of the proposal under consideration.</p> <p>Fee quoted must be inclusive of applicable withholding tax</p>	15%
<b>Total</b>	<b>100%</b>

## 10. Contact

Questions or comments in respect of these Terms of Reference should be sent before **10:00am (EAT) on 23<sup>rd</sup> April 2024**. Responses will be circulated to all bidders on or before **10:00am, 25<sup>th</sup> April 2024**.

## 11. 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%