



AFIYA PROGRAMME

PARAMETRIC INSURANCE PRODUCT AMENDMENT AND DEVELOPMENT CONSULTANT

CALL FOR PROPOSALS

TERMS OF REFERENCE (TOR)

1. About FSD Africa

FSD Africa is a specialist development agency working to help make finance work for Africa's future. Based in Nairobi, FSD Africa's team of financial sector experts works alongside governments, business leaders, regulators, and policymakers to design and build ambitious programmes that make financial markets work better for everyone. Our investment arm, FSD Africa Investments, provides early-stage, risk-bearing, catalytic and patient capital to inventive commercial organisations to stimulate capital flows in support of green economic growth benefiting people and planet.

The Accelerating Financial Resilience and Insurance for Young African Women in Agrifood Systems (AFIYA) programme is a multi-country programme, funded by the Mastercard Foundation, that targets at least 378,000 vulnerable young women smallholder farmers (SHFs) and agripreneurs across Kenya, Nigeria and Senegal. AFIYA responds to a pressing reality: climate change is eroding the financial resilience of vulnerable populations, intensifying income volatility, restricting access to credit, and pushing young women who play a vital role in agriculture — yet face disproportionate losses from climate shocks — closer to ultra-poor status. AFIYA seeks to build a sustainable, gender-intentional agricultural insurance ecosystem anchored on five impact outcomes: expanded coverage of affordable agricultural insurance, improved financial resilience to climate shocks, increased access to affordable credit linked to insurance, accelerated adoption of climate-smart agriculture, and a strengthened insurance market ecosystem. AFIYA will work through existing Mastercard Foundation country programmes and trusted delivery channels — including aggregators, cooperatives, insurtechs, financial service providers, and government extension structures — to embed insurance and complementary financial services in the lived realities of young women in agrifood systems.

The programme operates across three pillars:

- **Develop:** Design and deployment of insurance products and premium support mechanisms
- **Adopt:** Financial literacy, access, and uptake of bundled services
- **Enable:** Policy, regulatory, and ecosystem strengthening

Within this framework, parametric insurance plays a critical role in addressing climate-related risks through scalable, data-driven, and rapid payout mechanism.

2. Introduction

FSD Africa seeks to engage a suitably qualified consultant (“the Consultant”) to support the amendment of existing products and development of new gender-intentional parametric insurance products under the AFIYA programme.

The assignment will focus on the end-to-end design, adaptation, and structuring of parametric insurance solutions that enhance climate resilience and financial inclusion for young women in agrifood systems across AFIYA priority countries.

This work sits within AFIYA’s broader objective to strengthen the resilience and livelihoods of young women by expanding access to appropriate, affordable, and scalable insurance solutions. Parametric insurance, with its ability to provide rapid, transparent, and cost-effective payouts, is a key instrument within the programme’s approach to addressing climate-related risks affecting agricultural production.

The Consultant will be expected to apply a market-driven and user-centred approach, ensuring that product design is grounded in the realities of target users, aligned with existing market structures, and responsive to ecosystem dynamics. This includes integrating gender-intentional features, strengthening links with distribution channels, and ensuring that products are commercially viable and scalable across different country contexts.

The assignment will also contribute to building a pipeline of deployable solutions that can be piloted and scaled through AFIYA’s partnerships with insurers, aggregators, and other ecosystem actors, while supporting the programme’s broader objectives on financial inclusion, climate adaptation, and sustainable insurance development.

3. Background

Climate variability and agricultural risks continue to disproportionately affect young women in agrifood systems, while traditional insurance solutions often fail to reach this segment at scale.

This gap persists even in countries where parametric insurance products are already available. The challenge is less about product availability and more about access and relevance. Existing products are often distributed through formal channels such as cooperatives, financial institutions, or agribusiness platforms, where young women are underrepresented. Affordability constraints, limited access to finance, and competing household priorities further restrict uptake.

In addition, current product designs do not always reflect the specific risk profiles of women in agrifood systems, particularly those operating at small scale or in informal settings. Issues such as basis risk, low awareness, and limited financial and digital literacy also reduce trust and understanding of parametric solutions.

As a result, despite the presence of parametric insurance in these markets, young women remain underserved, highlighting the need for more inclusive product design, targeted distribution models, and tailored engagement approaches.

Parametric insurance offers pathway to:

- Improve speed and transparency of payouts
- Reduce operational costs
- Enable scalable and technology-driven delivery models

However, effective deployment requires robust product design, reliable data infrastructure, and careful management of basis risk, alongside strong alignment with user needs.

4. Scope of Work

The Consultant will lead the end-to-end amendment and development of gender-intentional parametric insurance products for priority agricultural value chains identified through the AFIYA Research and Value Chain Scoping Study. The work covers all stages of the product cycle — from value chain findings synthesis through to product design, pricing, regulatory approval, and readiness for pilot launch. The Consultant must work in close coordination with the Research and Value Chain Scoping Consultant, particularly on value chain prioritisation, user insights, and aggregator and insurer mapping, as the findings from that assignment will directly inform the products to be amended or developed under this consultancy.

4.1. Value Chain Alignment and Product Scoping

- For each priority value chain and country, determine whether an existing parametric product can be amended to better serve young women SHFs and agri-preneurs, or whether a new product must be developed from scratch, using a structured amendment-versus-development decision framework informed by the market scoping findings
- Where amending existing products, review current product architecture, identify gaps in trigger design, coverage scope, gender-responsiveness, and distribution fit, and propose targeted amendments with full documentation of changes and rationale
- Where developing new parametric products, design end-to-end product structures including index type (weather index, area yield index, satellite-based), trigger levels and payout structures, pricing logic, coverage parameters, exclusions, and contract terms — grounded in value chain-specific risk profiles and user research findings from the scoping consultant
- Integrate gender-intentional design throughout the product, ensuring triggers, payout timing, enrolment processes, and premium structures reflect the income patterns, cash-flow cycles, risk exposure, and operational realities of young women in each priority value chain, drawing on user personas and journey maps produced by the Research and Value Chain Scoping Consultant
- Work with identified AFIYA insurer and insurtech partners to align product structures with existing market infrastructure, distribution channels, and reinsurance arrangements, ensuring products are deployable within insurance ecosystem
- Assess scalability and replication potential of each product across markets, considering regulatory, operational, and commercial factors, and produce a per-value-chain scalability assessment that informs AFIYA's pilot prioritisation strategy
- Support structuring of appropriate risk transfer mechanisms, including reinsurance placement, fronting arrangements, and risk pooling where applicable, in coordination with identified AFIYA reinsurer partners to ensure products are financially sustainable and commercially viable

Outputs/Deliverables:

- Product Amendment and Development Plan per value chain (mapping each product to its value chain, beneficiary segment, insurer/insurtech partner, and distribution channel)
- Parametric product concept notes per value chain (one per product), covering value chain context, product type, amendment or new development rationale, index design, trigger levels, and pricing assumptions

- Detailed Product Specifications per product (including index type and methodology, trigger levels, payout structure and amounts, pricing logic and actuarial assumptions, coverage parameters, exclusions, contract terms, delivery model, and gender-intentional design features)
- Gender-Responsiveness Integration Framework embedded within product design documentation
- Approved and launch-ready gender-intentional parametric insurance products per value chain, supported by all actuarial, regulatory, and commercial documentation required for deployment

4.2. Data Assessment, Pricing and Risk Validation

- For each priority value chain and product, assess the availability, quality, and suitability of relevant data sources (including weather station data, satellite imagery, area yield data, and livestock mortality data), drawing on climate risk and data ecosystem mapping
- Evaluate and develop mitigation strategies for basis risk, including geographic and product basis risk, taking into account value chain-specific risk profiles and the geographic concentration of target beneficiaries.
- Validate pricing logic, actuarial assumptions, and product robustness through historical back-testing and scenario analysis, ensuring products are affordable for young women SHFs and agripreneurs while remaining commercially viable for insurers

Output/Deliverable:

- Data and basis risk assessment note per value chain, including recommended data sources, identified basis risk levels, and proposed mitigation measures

4.3. Regulatory Engagement and Product Approval

- Support the preparation and submission of all product filings, documentation, and evidence required for regulatory review and approval by the relevant insurance supervisory authorities
- Engage proactively with insurers, reinsurers, regulators, and AFIYA ecosystem partners throughout the product development and approval process to ensure product structures comply with applicable regulatory frameworks, are technically sound, and are commercially viable for market deployment

Output/Deliverable:

- Product filings and documentation for regulatory approval

4.4. Pilot Readiness and Scale-Up Planning

- Develop a pilot structure and operational model for each value chain, building directly on the aggregator and distribution channel mapping and partner readiness assessments. Define distribution and delivery channels per product and per value chain, including enrolment mechanisms, premium payment modalities (e.g. mobile money, payroll deduction through cooperatives or aggregators), claims notification and payout processes, and client communication approaches tailored to young women's digital access and literacy levels
- Identify implementation requirements and partnership arrangements needed for pilot launch, including roles and responsibilities of AFIYA partner insurers, insurtechs, aggregators, and FSPs; technology and data infrastructure requirements; and capacity building needs for delivery partners.

- Develop a scale-up and replication strategy per value chain, outlining conditions for moving from pilot to full rollout, cross-country and cross-value-chain replication opportunities, and how products can be mainstreamed into AFIYA's broader insurance ecosystem strengthening work

Output/Deliverable

- Pilot and Scale-Up Implementation Roadmap per value chain, including distribution and delivery architecture, partner roles, technology requirements, launch timeline, and scale-up triggers and milestones

5. Duration of the assignment

The assignment will be implemented over a period of 12 **months** and may be conducted remotely, with periodic in-country stakeholder engagements as required.

6. Invitation to tender

FSD Africa is inviting proposals from suitably qualified firms (Consultant) or consortia. Your proposal should contain:

- CV(s) of the consultant(s), not exceeding 3 pages per CV.
- A summary of relevant experience demonstrating expertise in parametric/index-based insurance, product development, climate and agricultural risk, and inclusive or gender-intentional insurance approaches.
- A clear description of your understanding of the assignment as outlined in these Terms of Reference, including your proposed methodology and approach to delivering the scope of work within the suggested timeline.
- Examples of similar assignments undertaken, including samples of work and testimonials or references from previous clients and/or employers.
- Partnerships or the formation of a consortium is strongly encouraged to ensure adequate local presence, contextual understanding, and effective coordination with market actors (Kenya, Senegal and Nigeria).
- A financial proposal outlining professional fees and reimbursable expenses in USD (see Annex 1), with a clear breakdown aligned to deliverables.

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 **30th June 2026 12.00PM EAT** under a subject line reading **'Invitation to tender: Amendment and Development of Parametric Insurance Solutions under AFIYA Programme'**.

Applications received after the deadline will not be considered.

7. Basis of Award

The selection criteria for the consultant will be based on the following to inform the Most Economically Advantageous Tender (M.E.A.T);

Mandatory Criteria

Mandatory requirements

The team must collectively demonstrate strong knowledge in parametric insurance, actuarial science, climate and agricultural risk modelling, data analytics, product development, and gender-responsive financial inclusion, with clearly defined roles and responsibilities.

The firm or consortium must have successfully completed at least three assignments within the last five years involving the design, adaptation, pricing, or implementation of parametric/index-based insurance products, preferably in agriculture or climate risk insurance.

The firm or consortium must demonstrate the ability to operate across the AFIYA target countries (Kenya, Nigeria, and Senegal), either through in-country presence, local partners, or consortium members, and provide evidence of capacity to engage regulators, insurers, reinsurers, aggregators, and other ecosystem stakeholders.

The firm must have the capacity to engage intensively in this assignment, with appropriate involvement of senior team members, and commit resources to deliver within the agreed timelines.

| Assessment criteria | Weighting (%) |
|---|---------------|
| <p>Proven experience in parametric/index-based insurance and product development.</p> <p>The consultant should have undertaken at least 3–5 comparable assignments in parametric insurance, climate risk, agricultural insurance, or inclusive insurance solutions, preferably within Kenya, Senegal and Nigeria.</p> | 20% |
| <p>Relevant qualifications and technical expertise.</p> <p>Qualifications in insurance, actuarial science, climate risk modelling, data science, development studies, risk management, or related fields.</p> | 15% |
| <p>Understanding the assignment and proposed methodology.</p> <p>Demonstrated understanding of the ToR, including a clear, practical approach to product design, gender-intentional integration, stakeholder engagement, and delivery timelines</p> | 25% |
| <p>Supplier’s demonstration of AFIYA value adds.</p> <p>Bidders that demonstrate alignment with AFIYA objectives will be scored favourably, including:</p> <ul style="list-style-type: none"> - Localisation: use of African-based consultants and in-country presence in Senegal, Nigeria, and Kenya (5%) - Gender: demonstrated experience integrating gender-intentional approaches and inclusion of women and underrepresented groups in delivery teams (2.5%) <p>Environmental safeguards and ethical considerations (a commitment to sustainability through eco-friendly practices, products/services, as well as ethical practices such as fair treatment of employees)-2.5%</p> <p><i>(Please provide evidence where applicable)</i></p> | 10% |

| | |
|--|-------------|
| Fee basis and total costs. | |
| <p>Most economically advantageous tender, where the computation will be based using the below formula.</p> <p>FS = 30% x LB/BP where: FS = is the financial score LB = is the lowest bid quoted BP = is the bid of the proposal under consideration.</p> <p>The lowest bid quoted will be allocated a maximum score of 30%.</p> <p>The fee quoted must be inclusive of applicable taxes.</p> | 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 **18 June 2026, 12:00 pm EAT** and feedback will be provided by **23 June 2026 12: 00 pm EAT**.

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 table below provides guidance on the applicable rates as per tax regimes.

| Country | WHT Rate |
|--|----------|
| Kenya | 5% |
| United Kingdom | 12.5% |
| Canada | 15% |
| Germany | 15% |
| India | 10% |
| Non-resident rate for citizens of EAC member countries | 15% |
| All other countries | 20% |

9.1. Payment

All fees quoted shall be **gross amounts** and inclusive of all applicable taxes. FSD Africa is required by law to deduct withholding tax where applicable from each payment according to the prevailing statutory rate.

9.2 No Tax Gross-Up

In the case where there is no Double Taxation Agreement in place between the Consultant's country of residence and Kenya, it will be for the Consultant to decide if they need to gross up their fee to accommodate subsequent withholding tax deduction. They should understand that this extra cost may make their bid uncompetitive. Consultants are responsible for costing and including such calculations within their financial proposal.

9.3 Double Taxation Agreement (DTA)

It is the responsibility of Consultant to keep themselves informed of current withholding tax arrangements between Kenya and the Consultant's country of residence. Where a Double Taxation Agreement exists, reduced WHT rates may apply, and any withholding tax deducted may be used to offset against a Consultant's future tax submissions within that country of residence. Lower WHT rates will apply subject to the limitation of benefits requirements.

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

Bidders are required to provide a cost per product developed or amended. The AFIYA programme seeks to support the development of 6 new parametric insurance products and the amendment of 6 existing products. Unit costs should be quoted in USD and inclusive of all applicable taxes. The schedule below must be completed and submitted as part of the financial proposal.

| Consultancy fees* | Days | Fee (USD) | Total USD |
|--|-------------|-------------------|------------------|
| Xx | | | |
| Xx | | | |
| Total remuneration | | | 0.00 |
| | | | |
| Reimbursement costs** | Unit | Cost (USD) | Total USD |
| Xx | | | |
| Xx | | | |
| | | | |
| Total reimbursement cost | | | 0.00 |
| | | | |
| Total proposed costs | | | 0.00 |
| *Fees incl of all taxes | | | |
| **Expenses to be reimbursed on actual costs as per FSD Africa's travel policy | | | |

Note: Bidders must provide a unit cost for each product developed or amended. The unit cost should reflect all activities required to deliver that product end-to-end (value chain alignment, product design, pricing and actuarial validation, regulatory filing preparation, and pilot readiness documentation), as set out in the Scope of Work. Bidders may combine the product cost schedule with the professional fees schedule in Annex 1, but unit product development or amendment costs must be clearly distinguishable.