

AFIYA PROGRAMME

NON-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 vulnerable young women smallholder farmers (SHFs) and agripreneurs in 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's work is structured around three interconnected programme components:

- **Develop:** Develop and Scale Affordable, Gender-Intentional Insurance Solutions — co-creating and scaling parametric and non-parametric insurance products tailored for young women, leveraging insurtech innovation and local market strengthening through the NDSI
- **Adopt:** Drive Adoption by Addressing Barriers and Creating Incentives — expanding access and uptake through smart subsidies, trusted delivery channels, bundled financial products, early warning systems, targeted financial literacy, and community engagement
- **Enable:** Contribute to an Enabling Environment for Scale — strengthening policy, regulatory, and data systems to ensure the sustainability and scale-up of climate-smart insurance for young women

Within the Develop component, non-parametric (indemnity-based) insurance solutions play a critical and complementary role alongside parametric products. Non-parametric products cover risks not easily captured by index-based approaches, including credit risk, health, business interruption, and human-wildlife conflict, and can be bundled with parametric covers and other financial services to deliver holistic protection to young women in agrifood systems.

2. Introduction

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

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

This work contributes to AFIYA’s broader objective of strengthening the resilience and livelihoods of young women by expanding access to appropriate, affordable, and context-relevant insurance solutions. Indemnity-based insurance provides the flexibility to design coverage aligned to actual losses, enabling more tailored protection for the diverse and location-specific risks faced by women across agricultural value chains.

The Consultant will be expected to adopt a market-driven and user-centred approach, ensuring that products are grounded in the realities of target users and aligned with existing insurance market practices. This includes embedding gender-intentional design features, strengthening distribution models, and addressing key barriers such as affordability, accessibility, and usability.

The Consultant will contribute to developing a pipeline of practical and scalable insurance solutions that can be piloted and expanded through AFIYA’s partnerships with insurers, aggregators, and other ecosystem actors, while advancing the programme’s objectives on climate adaptation, financial inclusion, and sustainable insurance development.

3. Background

Climate variability and agricultural risks continue to disproportionately affect young women in agrifood systems, while existing insurance solutions often fail to reach this segment at scale due to limitations in access, affordability, and product relevance.

Indemnity-based (non-parametric) insurance provides an important opportunity to complement existing solutions by enabling more tailored and context-specific coverage. These products can address asset-level and localised risks, including losses that are not easily captured through index-based approaches, and can be adapted to cover credit risk, health, business interruption, and other risks. This flexibility makes indemnity-based solutions particularly relevant for young women, whose risk profiles are often diverse, small-scale, and linked to informal or mixed livelihood activities.

However, scaling such solutions requires simplified product design, efficient underwriting and claims processes, and strong alignment with user needs. It also requires targeted approaches to address barriers related to access, affordability, and distribution.

The assignment will also focus on driving innovation within indemnity-based insurance structures, including simplified underwriting processes, tailored coverage options, bundled solutions, and embedded insurance models that can improve uptake and operational efficiency.

This programme will support the development of practical, scalable, and gender-intentional indemnity-based insurance solutions that can be deployed through AFIYA partnerships, contributing to improved resilience and financial inclusion.

4. Scope of Work

The Consultant will lead the end-to-end amendment and development of gender-intentional non-parametric (indemnity-based) insurance products and bundled insurance solutions for priority agricultural value chains identified through the AFIYA Research, Scoping and Baseline Study. The work covers all stages of the product cycle — from value chain and needs analysis through to product design, bundling architecture, regulatory approval, and readiness for pilot launch. The Consultant must work in close coordination with the Research, Scoping and Baseline Consultant, particularly on value chain prioritisation, user insights, and aggregator mapping, and with the Parametric Insurance Consultant on bundling structures that combine parametric and non-parametric covers. The scope covers non-parametric insurance products, across the following workstreams:

4.1. Workstream A: Value Chain Alignment and Non-Parametric Product Scoping

- In close coordination with the Research, Scoping and Baseline Consultant, review outputs on prioritised agricultural value chains, user insights, and market actor mapping per country. For each value chain, determine whether existing indemnity-based insurance products can be amended or whether new products must be developed, producing a Non-Parametric Product Amendment and Development Plan per country that maps each product to its target value chain, intended beneficiary segment, delivery partner, and insurer.
- For products to be amended review existing product architecture against the needs of young women in the priority value chains and propose targeted amendments with documented rationale, covering underwriting simplification, claims process redesign, premium affordability adjustments, and distribution fit
- For new products to be developed design end-to-end product structures covering coverage scope, underwriting approach and eligibility criteria, claims assessment and verification processes, pricing, coverage parameters, and exclusions, grounded in value chain-specific risk profiles and user research findings from the Research, Scoping and Baseline Consultant
- Work with identified AFIYA non-parametric product partners to align product structures with existing local insurer capacity, regulatory frameworks, and distribution channels in Kenya, Nigeria and Senegal

- 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 risk transfer mechanisms including reinsurance placement, local insurer consortium arrangements, and risk pooling structures to enhance product viability and market sustainability

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)
- Non-parametric product concept notes per value chain (one per product), covering value chain context, product type, amendment or new development rationale.
- Detailed Product Specifications per product (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 insurance products per value chain, supported by all actuarial, regulatory, and commercial documentation required for deployment

4.2. Workstream B: Bundled Insurance Product Design

- Working jointly with the Parametric Insurance Consultant, design bundled insurance solutions that combine parametric and non-parametric covers for the same value chain and beneficiary segment.
- For each bundle, define the product architecture including the parametric trigger component, the non-parametric indemnity component, the premium allocation and subsidy eligibility, the single enrolment process, and the unified claims and payout mechanism
- Ensure bundled products are designed around the distribution channel — including cooperative-distributed bundles, MFI-embedded credit-linked insurance, mobile money-enabled bundles, and input supplier-linked products — using aggregator mapping from the Research, Scoping and Baseline Consultant
- Explore savings-linked insurance bundles that combine micro-savings accounts with crop or livestock cover for community-based savings group members and cashew or poultry value chain participants
- Explore bundled agriculture insurance with health microinsurance models that integrate crop or livestock protection with affordable health cover to protect livelihoods and household wellbeing simultaneously
- Assess the commercial and operational feasibility of each bundle, including insurer capacity, regulatory treatment, reinsurance availability, and distribution partner readiness

Outputs/Deliverables:

- Bundled Insurance Product Architecture Documents per value chain (one per bundle), covering product design, premium allocation, enrolment and claims process, distribution model, and regulatory pathway
- Bundling Feasibility Assessment covering commercial viability, regulatory treatment, and distribution readiness for each proposed bundle

4.3. Workstream C: 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 in each country — IRA (Kenya), NAICOM (Nigeria), and CIMA (Senegal/WAEMU) — including product terms, pricing documentation, underwriting manuals, claims procedures, and product disclosure documents
- Engage proactively with NDSI member insurers, reinsurers, and regulators throughout the product development and approval process to ensure product structures comply with applicable regulatory frameworks and are commercially viable for deployment
- Support actuarial certification, any required sandbox or innovation pilot approval processes, and coordination with NDSI on capacity building requirements for local insurers launching new products
- Track and report on the regulatory approval status of each product, providing FSD Africa with timely updates on blockers, regulator feedback, and required revisions

Outputs/Deliverable:

- Regulatory Submission Packages per product (per country), including all documentation required for product approval

4.4. Workstream D: Pilot Readiness and Scale-Up Planning

- Develop a pilot structure and operational model for each value chain and country, building on aggregator and distribution channel mapping, partner readiness assessments, and market engagement workshop outputs from the Research, Scoping and Baseline Consultant
- Define distribution and delivery channels per product and per value chain, including enrolment mechanisms, premium payment modalities, 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 and country, outlining conditions for moving from pilot to full rollout, cross-country replication opportunities, and how

products can be mainstreamed into AFIYA's broader insurance ecosystem strengthening work through the NDSI Academy

Outputs/Deliverable:

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

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 consultants 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 indemnity-based (non-parametric) insurance, product design and development, climate and agricultural risk, and the integration of inclusive or gender-intentional 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 (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 **06 July 2026 12:00 pm EAT** under a subject line reading '**Invitation to tender: Amendment and Development of Non-Parametric Insurance Solutions under AFIYA**'. 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

- The team must collectively demonstrate strong knowledge in non-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 non-parametric 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 non-parametric insurance and product development.</p> <p>The consultant should have undertaken at least 3–5 comparable assignments in non-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>(Please provide evidence where applicable)</p> | 10% |

| | |
|---|-------------|
| <p>Fee basis and total costs.</p> <p>Most economically advantageous tender, where the computation will be based using the below formula.</p> <p>FS = 30% 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>The lowest bid quoted will be allocated a maximum score of 30%.</p> <p>The fee quoted must be inclusive of all 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 **25 June 2026, 12:00 pm EAT** and feedback will be provided by **29 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 4 non-parametric insurance products and the amendment of 4 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.