

Terms of Reference- Crisis Response Financing

Assignment Title	Crisis Response Financing Firm
Location	Remote work, with travel to Nairobi, Kenya and select Northern Kenya Counties, as necessary
Project Code	J2030-01
Percent Allocation (if any)	100%
Explanation for Allocation	USAID Kuza
TOR Release Date	April 22 nd 2022
Dates and Duration of Assignment	Assignment to be completed within 30 days after Contract Commencement

BACKGROUND

USAID Kuza works to develop and support economic opportunities in ten arid and semi-arid counties of Northern Kenya: Garissa, Isiolo, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir, and West Pokot. USAID Kuza developed and implements the Impact for Northern Kenya Fund (“the Fund”), which mobilizes and leverages private capital to support institutions, enterprises, and individuals that foster economic and social impact in Northern Kenya. The Fund provides wholesale loans to FIs working in the northern Kenyan counties, injecting liquidity into the areas and businesses that most need it. Per the Fund’s requirements, FIs that receive loans must also provide matching capital. USAID Kuza is implemented by ACDI/VOCA in close collaboration with Frontier Counties Development Council (FCDC) and is supported by AV Ventures LLC and select financial institution clients.

OBJECTIVE

USAID Kuza seeks support in the development, design and implementation of crisis financing strategies to respond to the ongoing drought in Northern Kenya and the larger East African region. The activities seek to engage a crisis financing expert to identify, evaluate and prioritize potential crisis response strategies for financial institutions (FIs) operating in the region, including the Impact for Northern Kenya Fund, its clients, county revolving funds, and banks, micro-finance institutions (MFIs), SACCOs and pay-as-you-go service providers working in the region.

Potential solutions may include the development of “Drought Financing Windows,” concessional financing to financial institutions (FIs) and micro, small and medium enterprises (MSMEs) operating in most drought affected areas, and/or the development of drought-related financial products for the FIs and their clients. Potential solutions should be based on best practices in crisis financing from Kenya, East Africa and beyond. Lessons from this engagement will be shared with other donor-funded projects and entities operating in northern Kenya and East African drought-impacted areas to ensure appropriate access to finance by those most impacted by drought.

All potential solutions must consider the impact strategy of USAID, Feed the Future, USAID Kuza, and the Impact for Northern Kenya Fund, including:

- Solutions that are sustainable and preserve a significant portion of capital investments
- Solutions that provide economic opportunities for the most vulnerable populations
- Solutions that are inclusive and incorporate gender, youth, and climate smart lenses
- Solutions that support the development and/or retention of jobs in areas of recurring crisis
- Solutions that can be replicable across other East Africa regions for adoption

- Solutions that incorporate the use of analytics, analytic capacity, knowledge management and strategic communication
- Solutions that facilitate learning for adaptive management by local and host country organizations and strengthening systems and networks for collaboration, learning and adaptation (CLA)

SPECIFIC TASKS

1. Research and propose areas how financiers (Impact for Northern Kenya Fund, banks, MFIs, SACCOs and county funds) can respond to the current drought crises, including providing capital to recover from, respond to and prepare for current and future droughts
2. Work with the FIs, including the Fund, to identify and propose sustainable and semi-sustainable mechanisms through which crisis response financing may be provided to FIs and SMEs
3. Identify ways in which local FIs can utilize financing to provide new/updated financial products and services to drought impacted MSMEs
4. Propose ways that USAID Kuza and other donor-funded projects may measure the impact of drought financing, identifying ways that initial response and future resilience to crises has been improved (where relevant)

DELIVERABLES

The consultant will provide the following deliverables, with payment contingent on EDGE's acceptance:

No.	Description	Period/Due
1	The initial proposal of the Crisis Response Financing mechanisms	15 days after the start of the assignment
2	Development of the Crisis Response financing mechanism prospectuses and Q&A document	At end of the assignment

QUALIFICATION

- Entity must have experience in finance, economics, business studies, entrepreneurship, development studies, or other relevant qualifications
- Experience and prior clients working in finance
- Strong experience in crisis response financing, including experience in financing measures to respond to drought
- Previous experience working with FIs in Northern Kenya or East Africa region
- Experience in agricultural and/or livestock lending and familiarity with common financial products used
- The ability to provide a list of previous work in this area will be an added advantage

REPORTING

The consultant will report to the Chief of Party, the Deputy Chief of Party and Investment Manager.

APPLICATION INSTRUCTIONS

Interested offerors must provide the following:

- Capability and Technical Experience Statement

Demonstrate above qualifications, capabilities, and technical experience by providing the following:

- a. Individual Consultants updated resume or the firm's organization overview, with profiles of the staff proposed, and contact information of the firm/individual for follow up questions.

- b. Capabilities Statement- Evidence of individual or firms' capacity as reflected in past achievements and publication track record, and the key staff proposed to carry out similar tasks in case of a firm.
- c. Assignment Approach- A 5-page technical proposal on how the consultant/organizations approach resonates to USAID Kuza project background and assignment objective, the terms of reference highlighted above and their experience in similar activities.

➤ References

Please include three client references and contact information. References should have worked with the consultant or firm within the past two years in connection with the counties or regions (and if possible, subject matter) of the categories being sort under this.

➤ Cost Proposal

Offerors should submit their most competitive price offer in form of proposed detailed budget, professional fees, other expenses as below in Kenya Shillings or US Dollar alongside the technical proposal. ACDI/VOCA reserves the right to request any additional information to support detailed cost and price.

A brief cost narrative may be included with your cost proposal.

Interested Applicants should submit their application and or clarifications through:

Subject:	Crisis Response Financing Firm
Email:	USAIDKuzaprourement@acdivoca.org

Submission deadline is May 13th, 2022, application received after this date will not be considered.

Only shortlisted candidates/firms shall be considered for an interview. ACDI/VOCA is an equal opportunity employer. Women, minorities, and people from diverse groups are encouraged to apply. The consultant will be bound by the terms and conditions of ACDI/VOCA upon contract signing.