

Consultancy Call

CASE STUDY - Building Financial Services in the Arid Lands of Kenya: Lessons from the Hunger Safety Net Programme (HSNP)

Organisation: FSD Kenya

Location: Nairobi, Kenya, with some field travel to two counties (to be determined from among Marsabit, Wajir, Mandera and Turkana).

Closing date: 9th Dec 2019

1. BACKGROUND

The Hunger Safety Net Programme (HSNP) is an unconditional cash transfer programme implemented by the Government of Kenya's National Drought Management Authority (NDMA) and the UK Department for International Development (DFID) under its twelve-year support to the social protection sector in Kenya. The programme aims to reduce poverty, hunger and vulnerability of poor households living in the arid and semi-arid lands (ASALs) of Kenya, specifically targeting four counties in this region (Turkana, Marsabit, Wajir and Mandera). These counties are characterised by recurrent droughts and extreme weather thereby undermining the capacity of the local communities to cope, adapt and recover from emergency situations.

The FSD Kenya was originally established by DFID in 2001 to support the development of more inclusive financial markets in Kenya. Thereafter in 2005, FSD Kenya evolved into a multi-donor trust. As DFID's primary mechanism for working on financial inclusion in Kenya, FSD Kenya was involved from the outset in developing a payment solution for HSNP, and at the request of DFID took up the Payment Service Manager (PSM) and fiduciary risk management for the programme, in addition to its original advisory role.

HSNP was implemented over two phases, the first one (2007-2013) being a pilot programme that targeted 69,000 households receiving KShs. 2,700 every two months. The second phase of the programme (2013 to 2019) was expanded to over 100,000 households, which received regular bi-monthly support of KShs. 5,400 and an additional 270,000 households through an inbuilt shock response mechanism that allowed support to be scaled up during emergency periods such as floods or drought. This second phase came to an end in March 2019, having paid out over KShs. 20 billion during the period (2007-2019).

FSD Kenya was involved in the design and implementation of the programme during the two phases. As the PSM, FSD Kenya not only designed the payment solutions for both phases but was also responsible for the procurement process for a Payment Service Provider (PSP), contracting, management of service level agreements with the PSP in line with contract, managing payment cycles, issue resolution as well as overall reporting for the payments component.

The sustainability of the programme was and still remains an important objective for both FSD Kenya and DFID. During the first two phases, effort was made to ensure that the required capacity was built within government to effectively manage any of the components once one of the partners exited. Having achieved considerable milestones towards this, the PSM function was successfully handed over to NDMA in April 2019. Whilst there was only Equity Bank serving the social protection market in the beginning, there has been increased interest and competition from other providers.

Undoubtedly, HSNP was implemented with significant success and a number of challenges, providing opportunities for learning and improvement throughout the period for all players involved. It is FSD's desire that these lessons are documented and shared with other stakeholders currently implementing the programmes and those seeking to undertake such initiatives in other markets.

It is against this background that FSD Kenya wishes to hire an expert consultant to develop a case study and a policy brief.

2. OVERALL OBJECTIVE

The overall objective of the assignment is to conduct and write up a case study and policy brief on DFID and FSD Kenya's experience in introducing and managing the payment component of the HSNP programme.

3. SCOPE OF WORK

The aim is to ensure that the knowledge acquired from the HSNP experience is documented in a way that makes it transferrable to other stakeholders. For this reason, it is important that the documentation does not merely describe the programme and how it was established and implemented, but rather focuses on the lessons learned. This will ensure that the deliverables act as a tool for capturing the lessons learned, thus enabling good practice to be disseminated to key stakeholders. This will mean interacting with and getting the views of all partners involved in implementation of the programme from the start. FSD Kenya and DFID will provide all this information prior to the commencement of the assignment.

The scope of work will cover the following aspects:

3.1 Familiarise with HSNP and the specific stakeholders' roles and responsibilities

The consultant will acquaint themselves with HSNP, the various stakeholders involved and their roles and responsibilities. This will involve:

- A desk review of the programme documents, including but not limited to the following:
 - HSNP programme design document.
 - HSNP internal and external reviews.
 - HSNP programme completion reports.
 - Various monitoring reports.
- Hold initial meetings with the various stakeholders involved in the programme: FSD Kenya, DFID, Equity Bank, NDMA, HelpAge International and other NGOs.
- Analysis of the available programme data.
- Synthesis of the findings of the literature view and initial stakeholder engagements into and produce an inception report.
- Inception meeting with FSD Kenya to present and agree on the methodology and time frame.
- Production of a fully-developed methodology to be employed during the study, including specific indicators and interview questions.

3.2 Develop an informed approach for the work

- Develop a credible and comprehensive approach for undertaking the assignment.
- Reviewing relevant documents and providing a synthesis report that meets the objective.
- Field-based data collection, including interviews with FSD Kenya, DFID, Equity Bank, beneficiaries and other key stakeholders;
- Analysis and draft report writing.
- Workshop with FSD Kenya and DFID to present the findings.

3.3 Undertake the fieldwork to inform the case study

The consultant will carry out field-based data collection to enable them to understand HSNP implementation and will include interviews and consultation with FSD Kenya, DFID, Equity Bank, beneficiaries and other key stakeholders in the programme.

It will cover:

- The specific role played by FSD Kenya as the payments services manager (PSM) in:
 - Designing the payment solutions for both phases
 - Procurement process for a Payment Service Provider (PSP),
 - Contracting of the PSP
 - Management of the service level agreement with the PSP in line with contract, managing payment cycles,

- Issue resolution; and
- Overall reporting of the payment component.
- Documenting testimonials from stakeholders of the programme (beneficiaries and partners) with regards to the payment solution, highlighting implications for special interest groups, gender, the elderly, etc).
- Consolidating the results and best practices of the programme in order to build a strong argument for cash transfer implementation in other markets.
- Synthesising and highlighting successes, challenges, lessons learned, specifically by FSD and but also other partners in relationship to the payment component.
- Documenting the process and tools of transitioning from FSD Kenya to NDMA and the progress thus far.
- Highlighting gaps that still exist and opportunities for future development and investment by government, non-government and private sector organisations.
- Capturing key lessons from implementation of the programme with specific focus on the PSM role.
- Documenting the findings into a case study and briefing note.

4. OUTCOMES AND DELIVERABLES

The consultant will be required to deliver the following two products over the course of 20 days:

(i) A Case Study: This will be a concise case study focusing on the HSNP lessons learnt, thus enabling good practice to be disseminated to other stakeholders in the sector. This will require gathering the views of all partners involved in implementation of the programme from the start.

Length: 8 – 16 pages.

(ii) A Policy Brief: A summary and recommendations on gaps that need to be plugged by policy makers and relevant government officials.

Length: 4 pages.

5. CONDUCT OF THE WORK

The consultant will report directly to FSD Kenya's Head of Future Financial Systems for this assignment and work closely with FSD's Government Payments Project Manager. A work plan and schedule for the achievement of the initial deliverables will be agreed with the Head of Future Financial Systems and the Project Manager within two weeks of signing the contract.

Close engagement will be required throughout the assignment with all the institutions and stakeholders involved. FSD Kenya will facilitate meetings with the stakeholders and other logistical support required for the successful completion of the work. This will be coordinated by the Project Manager.

The consultant will be required to:

- Provide a brief inception report with the methodology and work plan for undertaking the assignment.
- Carry out the assignment within (20 days) of signing the consultancy contract).
- After the assignment, participate in a workshop with FSD and DFID to present the five communications products.
- Incorporate any feedback from FSD and DFID and deliver the final versions.
- Collaborate with a video documentary team that will simultaneously be developing a video case study.

Note that all data, information and materials accessed and prepared during this assignment, shall remain confidential and under the care of FSD Kenya with appropriate NDA signed by the consultant. The same data and material shall not be used for any other purpose other than for the reason of this engagement.

6. REQUIREMENTS

Mandatory requirements
An advanced degree in a relevant field
Knowledge and experience in writing for impact, and conducting case study research
Evidence of similar assignments undertaken with institutions similar to the one under this assignment
Excellent written and verbal communication skills in English, including good editing skills and strong attention to detail
Experience and/or training in facilitating focus group discussions, informative interviews, and knowledge of ethical interviewing methodologies
Good understanding of social protection sector
Excellent time management skills and ability to meet deadlines

Assessment criteria	Weighting (%)
Knowledge and experience in writing for impact, conducting case study research, writing and presentation	30
Track record of successful undertaking of similar complex assignments	25
Willingness and ability to travel to the field	20
Quality of communication skills (written and oral)	15
Cost	10
Total	100

7. TIMETABLE

All aspects of this work should be completed by 31st January 2020.

8. HOW TO APPLY

All interested applicants are requested to send their technical and financial proposals by December 9th, 2019 to info@fsdkenya.org. Please specify "Application: HSNP Case Study Consultancy" in the subject line of your email application.