Dear All

INVITATION TO TENDER

Project: Research
Contract: FinAccess deep-dives consultants

The Financial Sector Deepening (Kenya) Trust (FSD Kenya) invites you to submit a tender for the above contract in accordance with the below terms of reference and other supporting documents.

Bidders are expected to provide valid registration documents and documentation for tax compliance in the country of jurisdiction alongside their technical and financial proposal as part of a minimum eligibility requirement to be considered for evaluation. Failure to comply with this requirement will render the bidder unresponsive and not considered for evaluation. Failure to attach the above-mentioned documents and proposals will make the bidder unresponsive and will not be considered for evaluation.

FSD Kenya will undertake a due diligence assessment and screening of the preferred Bidder to include reference checks. FSD Kenya will share a Third-party screening questionnaire to process the assessment and screening. Bidder will be shared FSD Kenya Third Party Screening Questionnaire to complete in order to process the assessment and screening. FSD Kenya reserves the right to proceed or reject Bidder[s] depending on the outcome of this assessment and consider the next ranked bidder. The findings of this assessment will be kept confidential and used internally for the purposes of this evaluation.

FSD Kenya reserves the right to accept any tender (s) or to reject all tenders at any time. FSD Kenya also reserves the right to cancel this procurement at any point in time prior to award of the contract.

If you would like to lodge a complaint in regard to this procurement process, please write to tenders@fsdkenya.org with the reference “FinAccess deep-dive consultants” FSD Kenya procurement team will acknowledge receipt of the complaint in writing within three (3) working days.

During the course of this procurement if you come across any issues of bribery, corruption or wrong doing on FSD Kenya part, please feel free to contact Ulla Balle, FSD Kenya Chief Operations Officer at ulla.balle@fsdkenya.org or transparency@fsdkenya.org
Confidentiality

All information contained in this letter and attachments is provided on a strictly confidential basis solely for the use of Tenderers in connection with a competition for the supply of services for the above contract. It is a condition of this competition that Tenderers (and any sub-contractors) shall:

- take all reasonable measures to protect this confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of confidential information.
- not use this information other than for the purposes of preparation of a tender, and shall disclose it only to officers, directors, or employees on a specific need to know basis; and
- not disclose, publish or otherwise reveal any of the information contained herein except with the specific prior written authorization of FSD Kenya.

If you intend to submit a tender, you should send an acknowledgement as soon as possible via e-mail confirming

(i) your intention to tender and
(ii) agreement to the confidentiality condition set out above.

Deadline for receipt of tenders

Your tender must be received by 23rd March 2022 by 16.00hrs, (East Africa Time), and be valid for 6 months. Tenders received after the due time and date will not be accepted. Tenders should be submitted by e-mail using the addresses provided. If requested, an acknowledgement of safe receipt of tenders will be provided.

If you have any clarification questions, please email us at tenders@fsdkenya.org no later than 11th March 2022. Responses to clarification questions shall be sent on 16th March 2022.

Selection of the preferred provider is planned for April 2022, and the anticipated contract start date is April 2022.

Form of tenders

Tenders may be submitted in any format and should encompass:
- Experience of the Consultant - Max 3 pages
- Approach and methodology - Max 3 pages
- Staff schedule, work and deliverable schedule
- Curriculum vitae (CV) for Key Professional - Max 1 page per CV
- Financial proposal - Breakdown of Price by Remuneration
- Financial proposal - Breakdown of Price by Activity/ Reimbursables
- Financial proposal - Breakdown of Price by Activity/ Reimbursables

Suppliers invited to tender

This is an open competitive procurement
Evaluation of tenders

This invitation to tender will use the quality and cost based selection (QCBS) system of evaluation.

Tenders for this contract will be assessed in accordance with good commercial practice and will involve both a technical and commercial evaluation. The specific evaluation criteria, with markings, are indicated in the evaluation criteria section below. Tenders will be made available to the partner organisations that will benefit from the services when they are part of the evaluation panel.

In the case of QCBS evaluation method, the total score will be calculated by weighting the technical and financial scores and adding them as per the formula and instructions provided. The bidder with the tender that achieves the highest combined technical and financial scores, will be considered for award.

For Quality and Cost Based Selection (QCBS), the lowest evaluated financial proposal (FL) will be given the maximum financial score (FW%) points. The financial scores (FS) of the other financial proposals will be computed as indicated in the evaluation criteria section.

Proposals will be ranked according to their combined technical (TS) and financial (FS) scores using the weights (T = the weight given to the technical proposal; F = the weight given to the financial proposal and S indicating the total score attained. T + F = 100 points. Indicated in the evaluation criteria section $S = TS \times T\% + FS \times F\%$.

The weights given to the technical (T) and financial (F) proposals are $T = 80\%$ and $F = 20\%$. The Bidder achieving the highest combined technical and financial score will be invited for negotiations.

Conflict of interest

Tenderers (and any sub-contractors) must disclose in their tender details of any circumstances, including personal, financial, and business activities that will, or might, give rise to a conflict of interest, if they were awarded this contract. Where Tenderers identify any potential conflicts, they should state how they intend to avoid such conflicts. FSD Kenya reserves the right to reject any Tender which, in FSD’s opinion, gives rise, or could potentially give rise to, a conflict of interest.

Other information

FSD Kenya has endeavoured to make available all relevant information in this invitation. A standard form of contract is attached for information. Suppliers invited to submit a tender are expected to adhere to the standard conditions of contract which are attached. The terms of this contract are not open to negotiation. Any requirement for further information or clarification during the tender period should be addressed directly to me at FSD Kenya. On no account should the Tenderers communicate directly with the recipient or other partners involved in work concerning this Invitation. Failure to comply with this requirement may result in your disqualification from this competition.
1. BACKGROUND

The Financial Sector Deepening (FSD) programme was established in 2005 to support the development of financial markets in Kenya to stimulate wealth creation and reduce poverty. Working in partnership with various stakeholders, the programme’s goal was to expand access to financial services for lower income households and small and micro scale enterprises as a route to strengthening the livelihoods of lower-income Kenyans. Since then, the financial landscape in Kenya has evolved in ways far beyond the vision of the programme at its inception. It is clear today that financial access only represents a milestone, albeit a significant one, on the path to creating a pro-poor financial system. The fourth strategy period (2016 - 2021) recently ended and now the focus has shifted from deepening access and use of financial services to improving the value of financial solutions for individuals, households and smaller businesses. FSD’s new strategy (2022- 2026) seeks to contribute to the development of “A financial system that increasingly delivers value for a green and inclusive digital economy while improving financial health and capability for women and micro and small enterprises (MSEs)” . The intention is to support recovery from the impact of COVID-19, a key national priority.

As part of informing the design of interventions that will support the successful achievement of the forthcoming strategy, recent evidence on the impact of the COVID-19 pandemic on the financial landscape, especially on FSD’s target beneficiaries, is needed. Over the years, FSD’s research has played an important role in monitoring and understanding changes in financial inclusion. FSD’s contribution to the development of the FinAccess survey, now a pillar of Kenya’s market information landscape, has played a key role in this. FinAccess is undertaken approximately every three years to monitor progress towards financial inclusion, through a partnership (the FinAccess Management or FAM) between the Central Bank of Kenya, the Kenya National Bureau of Statistics and FSD Kenya. The latest survey, FinAccess 2021, offers a valuable tool to explore changes in the financial landscape, including the impacts of COVID-19, particularly through the expansion of the sample to county level representation. The results of the survey were launched by the FinAccess Management (FAM) in December 2021 unveiling the headline FinAccess report.

Following the launch, FSD is keen to take advantage of the opportunities presented by this rich data set in terms of providing detailed analytics that will inform FSD programming as well as guiding policy on key areas of focus including supporting recovery from COVID-19. FSD Kenya, is thus looking for highly skilled researchers to undertake deep dive analysis of FinAccess data to provide insights that will inform the execution of FSD Kenya’s fifth strategy as well as supporting policy and business development. Areas of focus include green finance, education, MSEs, agriculture, health, affordable housing, gender, climate adaptation, resilience and COVID-19 impact. In addition, FSD Kenya recognises the importance of building local capacity in analysis for policy and market development. To this end, FSD will prioritise local consultants and researchers, and/or external experts who propose working in partnership with local researchers/consultants.

2. OBJECTIVE

Undertake in-depth analysis of the FinAccess data to inform policy and business development, through providing a richer understanding of drivers and opportunities for inclusive finance and inclusive, sustainable growth.
3. **SCOPE OF WORK**

FSD Kenya is committed to catalysing inclusive financial and economic development through market facilitation and research. The FinAccess study, providing cross sectional data on financial inclusion since 2006, provides a unique opportunity to deepen our understanding of the barriers and opportunities for change, and provide valuable insights for policy and business development. To this end, FSD Kenya is commissioning a series of deep-dive analytics to ensure that the value of this data set is effectively exploited to support FSD’s strategic goals.

The consultant(s) will work in close partnership with FSD’s Research team to undertake in-depth analytics on the newly launched FinAccess 2021 data set, which also includes datasets from previous years—2019, 2016, 2013, 2009, 2006. This enables us to capture market dynamics across space and time, through the behaviour and perceptions of a range of market segments. In 2021, the dataset is additionally representative at county level, providing further opportunities for granular analysis.

Consultants are expected to propose relevant research questions that will directly contribute to business and policy development and propose robust methods for addressing these questions through analysis of FinAccess data. Consultants may additionally wish to draw on other relevant data sources and literature, and may even propose some additional (e.g. qualitative) research to fully address their proposed research questions. FSD has identified the following key themes connected with its forthcoming strategy. Consultants may submit proposals to undertake deep dive analysis on one or more of the topics listed below, or propose other topics that are relevant for inclusive financial and economic development:

- Digitisation
- Risk and consumer protection
- Differences in financial and economic inclusion by population segment (including gender) and/or geography (e.g. county) etc.
- Livelihoods (including MSEs & agriculture-based livelihoods)
- Financing access to services including health and social security
- Relationships between financial inclusion and climate risk

While bids will primarily be assessed on quality and relevance, preference will be given to Kenyan researchers and institutions, and/or external experts who propose working in partnership with local researchers/consultants. Proposals are welcomed from researchers and academics as well as policy analysts. It is important that consultants can demonstrate not only their expertise in cutting edge analysis but also their understanding of their selected thematic areas and the opportunities to influence policy and private sector development in Kenya. To this end, the consultants are expected to package and communicate their insights and analysis in a visual and compelling way, including outputs for different audiences, especially policy audiences and private sector players. For example, aside from a detailed deck or report, a high-level pitch deck, briefing note or infographic may be required, as well as participation in stakeholder engagement forums to discuss and communicate findings and their importance for policy and industry. Ultimately, the objective of the analysis is not research for its own sake, but research that can provide a new and compelling set of insights and perspectives to concretely influence change on the ground.
4. **CONDUCT OF THE WORK**

The consultants will report directly to FSD’s senior research specialist and work closely with FSD’s programme analyst and other team members as required. The work is expected to be conducted remotely, although there may be a case for in-country visits as part of a communication and engagement process.

5. **DELIVERABLES**

Deliverables and ensuing outcomes sought from this work include:

1. Detailed report with deep-dive analysis of selected topics listed above or any other that will strongly respond to current policy or market concerns.
2. Additional communications outputs which compellingly convey the insights and metrics from the analysis to relevant audiences including policy makers and private sector. Target audiences include policy makers, financial service providers, real economy actors and development partners. Consultants are free to propose the format of these outputs, which could include short pitch decks, policy briefs, infographics, animations etc. These will be agreed on with FSD in advance of signing the contract.
3. Suggestions for improving the next FinAccess questionnaire and ideas for follow-up research.

6. **MINIMUM REQUIREMENTS**

### Experience, knowledge, and skills

| Track record in high quality research on economic and financial inclusion, preferably in Kenya |
| Expertise in quantitative analytics and household surveys (FinAccess analytical experience in any of the thematic areas highlighted above is highly desired). |
| Demonstrated understanding of the application of research for policy and business development |
| Commitment to deliver the desired results as prescribed |
| Ability to respond to demands as rapidly and flexibly as possible as well as ability to work proactively and deliver against deadlines |
| Excellent visual, written and verbal communication skills and ability to package information in a compelling manner for a range of audiences |

7. **EVALUATION CRITERIA**

| Criteria, sub-criteria, and point system for the evaluation of Technical Proposals | Weighting (%) |
| Experience of the Consultant firm - Max 3 pages | 20 |
| Track record and reputation for high quality quantitative data analysis | 20 |
1.2 Experience in application of analytics for development, including in the chosen thematic area | 10

| Total Points for this criterion | 30 |

2 Approach and methodology - Max 3 pages

2.1 Quality and relevance of the proposed approach and methodology | 30

| Total Points for this criterion | 30 |

3 Staff schedule, work and deliverable schedule

| Distribution of effort across the team | 10 |

| Total Points for this criterion | 10 |

4 Curriculum vitae (CVs) of Key Professional Personnel Qualification for the Assignment - (Max 1 page per CV)

4.1 Expertise and skills of individual consultants in data analysis, and applied research for policy and business development | 30

| Total Points for this criterion | 30 |

| Total Points for the four (4) technical criteria (St) | 100 |

The minimum technical score $St$ required to pass for financial proposal to be scored is 75

**Financial Evaluation**

The formula for determining the financial scores is the following:

$$FS = FW \times FL / FP,$$

in which $FS$ is the financial score, $FL$ is the lowest price, $FP$ the price of the Proposal and $FW$ the weight given to for financial proposal under consideration.

The weights given to the Technical (T) and Financial (F) Proposals are:

- $T = 80\%$ and $F = 20\%$

8. **TIMEFRAME**

The consultants are expected to start work in April 2022. Final outputs are anticipated by the end of June 2022.