INVITATION TO TENDER

Project: TRADE


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

Bidders are expected to provide valid registration documents and documentation for tax compliance in their country of jurisdiction alongside their proposals. Failure to attach the above-mentioned documents 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 as part of background check and share a screening questionnaire to process 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 referencing the title of this procurement. FSD Kenya procurement team will acknowledge receipt of the complaint in writing within three (3) working days.

If you come across any issues of bribery, corruption or wrong doing on the part of FSD Kenya part during this procurement, please feel free to contact Ulla Balle, FSD Kenya Chief Operating Officer at ulla.balle@fsdkenya.org or transparency@fsdkenya.org or fsd.whistleblower@bdo-ea.com.

Confidentiality

All information contained in this letter and attachments is provided on a strictly confidential basis solely for the use of bidders in connection with a competition for the supply of services for the above contract. It is a condition of this competition that bidders (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 17:00HRS, (East Africa Time), on 4th September 2022 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. You are requested to submit your tender comprising of technical proposal and financial proposal separately. The proposals shall be submitted separately to the following addresses:

**Technical Proposal:** tenders@fsdkenya.org  
With the following subject title: TECHNICAL PROPOSAL- END-OF-TERM PROJECT EVALUATION OF THE SIDA-FUNDED TRADE FACILITATION: 2018 – 2022

**Financial Proposal:** tenders@fsdkenya.org  
With the following subject title: FINANCIAL PROPOSAL- END-OF-TERM PROJECT EVALUATION OF THE SIDA-FUNDED TRADE FACILITATION: 2018 – 2022

Under no circumstance are bidders to submit both technical and financial proposals as a single document, doing so will lead to disqualification.

If you have any clarification questions, please email us at tenders@fsdkenya.org no later than 24th August 2022. Responses to clarification questions shall be sent on 26th August 2022.

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

**Form of tenders**

Tenders may be submitted in any format and should encompass:

1. Profile of the organization
2. Experience of the consultant
3. Reference of the consultant
4. Description of approach and methodology for performing the assignment
5. Team composition and task assignments work
6. Curriculum vitae (CV) for proposed professional personnel
7. Breakdown of consultancy fee
8. Breakdown of reimbursable expenses by activity

Tender documents should be as concise as possible

**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 (LP) will be given the maximum financial score (S%) points. The financial scores (BP) 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 x T% + FS x 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 bidders 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

Introduction to FSD Kenya

The FSD Kenya programme was established by the Department for International Development (DFID) in 2001 to support the development of financial inclusion and inclusive financial markets in Kenya. FSD Kenya’s aim today is to help realise a vision of an inclusive financial system to support Kenya’s long-term goals for economic and social transformation development. The programme works closely with government, the financial services industry, and other partners across key economic and social sectors. FSD Kenya’s core development partners are Department for International Development (DFID), the Swedish International Development Agency (SIDA) and the Bill & Melinda Gates Foundation.

Trade facilitation project

The Swedish International Development Agency (SIDA) funded FSD Kenya to develop and implement the trade facilitation project in November 2018. Among other objectives (see theory of change in Fig 1), the project whose specific objective is to “create market capacity and incentives to innovate trade solutions which deliver real value for the economy, enterprises and households”. Initially budgeted at KShs 750m (KShs 314m for phase 1 and KShs 436m for phase 2) for two years, the Trade project’s budget has since expanded to KShs 1.04b, spanning November 2018 to December 2022. A significant component on the Blue economy was added at the beginning of 2022, with the aim of piloting interventions in this area for further development in future implementation. As implementation ends in December 2022, it is necessary to evaluate the impact of the Trade project has had. A rigorous assessment of achievements, both intended and unintended outcomes, delivery approaches, partner management, the ecosystem, targeting, and emerging lessons. This assessment will furnish stakeholders with proof of positive achievement, while informing FSD’s future implementation.

Markets are often incomplete. As a result, viable opportunities to connect producers and consumers are lost. Information is at the heart of this market failure. A major reason for low levels of international, inter and intra county trade is the Information asymmetry that characterises all forms of trade in Kenya. Lack of reliable transport and communication infrastructure as well as under-developed legal and regulatory framework is one of the causes of this imbalance and gives rise to constraints that militate against the growth of trade. Holders of information about opportunities in the trading system can extract value from less well-informed players. The result is increasing wealth and income inequality as well as stagnation or decline of important sectors of the economy that are potential drivers of trade like manufacturing and agriculture.

The constraints to trade that arise out of information asymmetry fall into three broad categories which are access to markets, logistics and liquidity. These challenges affect all the players on trade value chains to varying degrees. Primary players on the trade value chain include primary producers, processors and aggregators, retailers and consumers. To achieve the project’s objective, the trade system must evolve in a way that it allocates value to trading partners in line with the value they have added within the system by breaking down information asymmetries. With a fairer allocation of value, trading partners will be more likely to have sustainable enterprises able to contribute to inclusive growth. The trade project is made up of five components: trade facilitation platform solutions, financial solutions for facilitating trade, inclusion of more women and youth in trade, inclusive export promotion solutions and Blue economy (LREB aquaculture value chains).
**Figure 1: Trade facilitation project theory of change**

<table>
<thead>
<tr>
<th>Intervention activities</th>
<th>Innovation system outcomes</th>
<th>Trade market outcomes</th>
<th>Direct impact outcomes</th>
<th>Final impact outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideate</td>
<td>New mental and business models that enable the innovation process</td>
<td>Transparent systems for facilitating trade</td>
<td>Higher incomes for primary producers</td>
<td>Economy, households and enterprises benefit from increased efficiency, transparency and productivity</td>
</tr>
<tr>
<td>Experiment</td>
<td>Research and evidence underpin solutions</td>
<td>Efficiency gains within trading supply and value chains</td>
<td>Better opportunities for processors and aggregators</td>
<td></td>
</tr>
<tr>
<td>De-risk</td>
<td>Diverse capital to support innovation</td>
<td>Partnerships and platforms enabling more effective trade</td>
<td>Growth and/or stability for retailers</td>
<td></td>
</tr>
<tr>
<td>Select</td>
<td>Access to cutting edge technology</td>
<td>Competitive advantage for export promotion</td>
<td>Lower prices and improved access to quality goods and services for consumers</td>
<td></td>
</tr>
<tr>
<td>Advocate</td>
<td>Relevant expertise for scaling innovation</td>
<td>Facilitation of partners</td>
<td>Predictable and beneficial access to markets</td>
<td></td>
</tr>
<tr>
<td>Leverage</td>
<td>Enabling regulation &amp; policy</td>
<td>Experimentation with trade facilitation platform models and scaling those with most potential</td>
<td>Effective and timely logistics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Integration of women, youth, county value chains, and exporters</td>
<td>Integration of women, youth, county value chains, and exporters</td>
<td>Optimal levels of liquidity</td>
<td></td>
</tr>
</tbody>
</table>

**Key Elements**

- **New mental and business models that enable the innovation process**
- **Research and evidence underpinning solutions**
- **Diverse capital to support innovation**
- **Access to cutting edge technology**
- **Relevant expertise for scaling innovation**
- **Enabling regulation & policy**
- **Facilitation of partners**
- **Experimentation with trade facilitation platform models and scaling those with most potential**
- **Integration of women, youth, county value chains, and exporters**
- **Learning and advocacy**
- **Optimal levels of liquidity**
- **Effective and timely logistics**
- **Predictable and beneficial access to markets**
- **Competitive advantage for export promotion**
- **Higher incomes for primary producers**
- **Better opportunities for processors and aggregators**
- **Growth and/or stability for retailers**
- **Lower prices and improved access to quality goods and services for consumers**

**Outcomes**

- **Economy, households and enterprises benefit from increased efficiency, transparency and productivity**
- **Trade market**
  - New mental and business models that enable the innovation process
  - Research and evidence underpinning solutions
  - Diverse capital to support innovation
  - Access to cutting edge technology
  - Relevant expertise for scaling innovation
  - Enabling regulation & policy
- **Intervention activities**
  - Ideate: Imagine new solutions through analysis of demand-side data and insights
  - Experiment: Co-create and support testing of new solutions
  - De-risk: Use financial instruments to enable testing and scaling
  - Select: Find players to pursue innovation with potential to inspire the market
  - Advocate: Influence players to pursue trade solutions leading to inclusive growth
  - Leverage: Develop capacity with technical expertise
- **Intervention outputs**
  - Facilitation of partners
  - Experimentation with trade facilitation platform models and scaling those with most potential
  - Integration of women, youth, county value chains, and exporters
  - Learning and advocacy

**Final Impact**

- **Economy, households and enterprises benefit from increased efficiency, transparency and productivity**
- **Higher incomes for primary producers**
- **Better opportunities for processors and aggregators**
- **Growth and/or stability for retailers**
- **Lower prices and improved access to quality goods and services for consumers**

**Innovation System Outcomes**

- **New mental and business models that enable the innovation process**
- **Research and evidence underpinning solutions**
- **Diverse capital to support innovation**
- **Access to cutting edge technology**
- **Relevant expertise for scaling innovation**
- **Enabling regulation & policy**

**Direct Impact Outcomes**

- **Predictable and beneficial access to markets**
- **Effective and timely logistics**
- **Optimal levels of liquidity**

**Market Capacity and Incentive to Innovate Financial Solutions for Real World Problems**

- **New mental and business models**
- **Research and evidence**
- **Diverse capital**
- **Access to cutting edge technology**
- **Relevant expertise**
- **Enabling regulation & policy**

**Trade System**

- **Predictable and beneficial access to markets**
- **Effective and timely logistics**
- **Optimal levels of liquidity**

**Trade Facilitation Project**

- **Economy, households and enterprises benefit from increased efficiency, transparency and productivity**
- **Higher incomes for primary producers**
- **Better opportunities for processors and aggregators**
- **Growth and/or stability for retailers**
- **Lower prices and improved access to quality goods and services for consumers**
2. OBJECTIVES

The objective of this evaluation is to assess and review the impact of interventions undertaken by the project to date, review underlying concepts and their implementation, and subsequently, offer recommendations that will inform future implementation of similar interventions. In so doing the evaluation achieve the following:

a) Highlight the internal or external factors that influenced the success or the inverse of implementation.

b) Measure the extent of attainment of the results originally intended from inception, as well as intention during the project’s life and the revision therein.

c) Establish the relevance to national government priorities, regional trade facilitation roadmap, vision 2030, SDGs & frameworks.

d) Produce a framework for knowledge management & sharing with the community of practice and a systems for risk analysis and assessment

e) Identify and document substantial, forward-looking lessons especially on cross cutting issues drawing from FSD’s strategic planning including gender, youth and opportunities for research, learning and collaboration.

3. SCOPE OF WORK

The scope of work will be shaped during the reconnaissance discussions at the initial phases of this evaluation. The scope will revolve around the following five evaluation areas:

A. Project set up and evolution
How has the project been up? Document the evolution of the project (Components, tasks etc.) to date with keen attention to; (a) The original Theory of Change, updates and revisions and the circumstance around the changes; and (b) The efficacy of the theory of change, and the reasoning for the execution.

B. Design and focus of the project
The evaluation will answer the following question:

a) To what extent did the project achieve its overall objectives?

b) What and how much progress has been made towards achieving the overall outputs and outcomes of the project?

c) To what extent were the results (impacts, outcomes and outputs) achieved?

d) Were the inputs and strategies identified, and were they realistic, appropriate and adequate to achieve the results?

e) Was the project relevant to the identified needs?

C. Project management and delivery
The evaluation will appraise the project’s processes and their appropriateness. The evaluation will answer the following questions:

a) Was the project effective in delivering desired/planned results?

b) How effective were the strategies and tools used in the implementation of the project?

c) How did project facilitation or implementation partners delivery influence outcomes?

d) How effective has the project been in responding to the needs of the beneficiaries, and what results were achieved?

e) What are the future intervention strategies and issues?

D. Value for money of project implementation

a) Was the process of achieving results efficient? Did the actual or expected results (outputs and outcomes) justify the costs incurred?
b) Were the resources effectively utilized? What factors contributed to implementation efficiency?

c) Did project activities overlap and duplicate other similar interventions (funded nationally and/or by other donors within and without FSD?)

d) Are there more efficient ways and means of delivering more and better results (outputs and outcomes) with the available inputs?

e) How efficient were the management and accountability structures of the project?

f) How did the project financial management processes and procedures affect project implementation?

E. Sustainability

The evaluation will give a projection of the future of the trading project’s impact by answering the following questions:

a) To what extent are the benefits of the project likely to be sustained after the completion of this project?

b) What is the likelihood of continuation and sustainability of project outcomes and benefits after completion of the project?

c) How effective were the exit strategies, and approaches to phase out assistance provided by the project including contributing factors and constraints?

d) What are the key factors that will require attention in order to improve prospects of sustainability of Project outcomes and the potential for replication of the approach?

F. Recommendations development

The Consultant will make recommendations against findings of the impact evaluation, including lessons learned to inform future implementation of Trade interventions by FSD.

4. CONDUCT OF THE WORK

The Consultant(s) will report directly to James Kashangaki, FSD’s Chief Programme Officer, with day-to-day engagement with Jared Ochieng, the Senior Trade Specialist at FSD Kenya.

5. OUTCOMES AND DELIVERABLES

The following specific deliverables are envisioned:

a) An inception report of the assessment

b) Evaluation plan

c) Preliminary findings in .ppt format

d) A Workshop and/or/Webinar: to share findings with the broader FSD Kenya team and/or external audience

e) Final report in .doc format

Payment under these terms of reference shall be made as follows:

- 30% upon submission and acceptance of the inception report & evaluation plan
- 40% upon submission and acceptance of preliminary findings and draft report.
- 30% upon submission, presentation (virtual or at a workshop) & acceptance of final report, after all comments/suggestions have been considered.

The copyright for all material prepared under these terms of reference will pass to FSD Kenya. It is FSD Kenya’s practice to publish the reports it commissions in its own house style. There is therefore no requirement for material to be extensively formatted beyond that required to indicate how material should be logically presented in the final report. All final reports should be presented in an electronic format allowing the text and graphics to be manipulated in preparation for publication. Where a final report is presented in a portable document format
(pdf) generated from another format (such as Microsoft Word) it should be accompanied by the original file from which it is generated. All representations of graphic material (tables, figures, drawings, charts, graphs and photographs) must be able to be reproduced at high print resolution. Tables, figures, drawings, charts, graphs should be provided in Microsoft Excel or Adobe Illustrator format. Photographs must be provided in high-resolution JPG images set to minimum of 300 dots per inch (dpi). Any technical questions regarding these requirements should be addressed to FSD Kenya’s Communications Manager.

6. REQUIREMENTS

<table>
<thead>
<tr>
<th>Mandatory requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous performance reviews of private sector development programmes</td>
</tr>
<tr>
<td>7 years of consistent work in African financial markets, development economics, agricultural economics, inclusive development, trade and market development and/or other relevant and allied areas</td>
</tr>
<tr>
<td>Demonstrable experience in conducting studies and assessments</td>
</tr>
<tr>
<td>7 years assessing development programmes that use the making markets work for the poor (M4P) approach</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Assessment criteria</th>
<th>Weighting (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Experience of consulting firm/consultant</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>At least 7 years’ experience in African financial markets, development economics, agricultural economics, inclusive development, trade and market development and/or other relevant and allied areas</td>
<td>20</td>
</tr>
<tr>
<td>1.2</td>
<td>At least 7 years assessing development programmes that use the making markets work for the poor (M4P) approach</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Total Points for this criterion</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>Approach and methodology</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Note: Bidders to provide methodological approach for the assignment as provided in the TOR</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Responsiveness of propose methodological approach in relation to the TOR including rationale for chosen methodology and data collection tools (feasibility, innovation, quality).</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Total Points for this criterion</td>
<td>35</td>
</tr>
<tr>
<td>3</td>
<td>Key Professional Personnel Qualification for the Assignment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Note: Bidders to share curriculum vitae that responds requirements in the TOR and evaluation criteria in this section</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Project resources and relevant experience of proposed team members</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Total Points for this criterion</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Total points for the three (3) technical criteria</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>The minimum technical score required to pass for financial proposal to be scored is 70%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Evaluation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The formula for determining the financial scores is the following: $FS = 100 \times FL / FP$, in which $FS$ is the financial score, $FL$ is the lowest price and $FP$ the price of the Proposal under consideration.</td>
<td>20</td>
</tr>
</tbody>
</table>
The weights given to the Technical (T) and Financial (F) Proposals are: 
T = 80% and F = 20%

7. TIMELINES

<table>
<thead>
<tr>
<th>Activities</th>
<th>Indicative Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reconnaissance meetings</td>
<td>Oct 5</td>
</tr>
<tr>
<td>2. Documentation review</td>
<td>Oct 12</td>
</tr>
<tr>
<td>3. Evaluation tooling</td>
<td>Oct 26</td>
</tr>
<tr>
<td>4. Respondent mapping</td>
<td>Nov 9</td>
</tr>
<tr>
<td>5. Field work/ respondent engagement</td>
<td>Nov 23</td>
</tr>
<tr>
<td>6. Presentation of preliminary findings to FSD and discussion</td>
<td>Nov 30</td>
</tr>
<tr>
<td>7. Final report</td>
<td>Dec 14</td>
</tr>
<tr>
<td>8. Submission</td>
<td>Dec 28</td>
</tr>
</tbody>
</table>