REQUEST FOR APPLICATIONS (RFA)

Kenya Feed the Future – Crops and Dairy Market Systems Activity

Issuance date: March 1st, 2019
Closing date: April 10th, 2019 (new deadline)

1.0. Program Background

The Kenya Crops and Dairy Market Systems Activity (KCDMS) is a five-year (Oct 2017– Sept 2022) project of the United States Agency for International Development (USAID). It is funded as part of Feed the Future, the U.S. Government’s global hunger and food security initiative that helps to increase agricultural production and reduce poverty and malnutrition in Kenya. The project is being implemented by RTI International in 12 counties including: Kitui, Makuene, Taita Taveta, Homa Bay, Migori, Kisii, Kisumu, Siaya, Kakamega, Bungoma, Busia, and Vihiga.

Amongst other endeavors, KCDMS works in Market Access, Productivity, Policy, and Social Inclusion for nine (9) value chains: dairy, feed/fodder, mango, banana, avocado, pineapple, passion fruit, sweet potato, and African Leafy Vegetable. Specifically, the project’s Social Inclusion component aims at ensuring an increase in incomes and expanded agricultural investment activities which are inclusive of women and youth. To advance their meaningful participation in agriculture, the project offers agribusiness initiatives to enable women and youth to engage in profitable agricultural value chains by facilitating market-driven partnerships that bring together all players to invest and support their access to resources and services to grow their agribusinesses. Among the strategies being promoted is access to both formal and informal finance, including capacity strengthening of village savings and lending groups.

KCDMS is seeking to engage identified Business Development Service Providers (BDSP), and Non – governmental Organizations (NGOs) who are experienced in working with lending and saving groups through capacity strengthening and mentoring for market-led lending and savings. The main objective of this assignment is to mobilize and build capacities of VSLG groups on Financial literacy in the 12 counties of KCDMS focus. This is aimed at improving the management of VSLG activities, saving and lending culture of the communities while enhancing investment in agriculture. We are therefore requesting Applications (RFA) from organizations working with savings and lending groups in the targeted counties, with an emphasis on developing and improving the management of the selected village savings and lending groups.

Interested BDSPs and NGOs should send in their applications that propose innovative approaches for strengthening VSLG capacities in management and financial literacy within the
KCDMS targeted counties. The proposal should outline the proposed approach and mentorship plan for the selected savings and lending groups.

2.0. General Requirements

All applicants must have prior experience in conducting capacity building, mentorship for SLGs and development of training curriculum. They should demonstrate experience in designing and delivering participatory training approaches for smallholder farmers / producer associations, CBOs, etc. They must also demonstrate efficient and effective fiscal management. The applications will be evaluated on the sustainability of their capacity building approach, impact on market-led savings and lending in agriculture and value for money. Successful applications will be invited to negotiate with KCDMS to implement VSLG activities, with agreed deliverables and budget.

3.0. Required documents

3.1. Cover Page (includes; program title, Name of organization/company, contact details – name of contact person, physical address, phone number, and email address).

3.2. Technical proposal (See section 4.0)

3.3. Cost proposal/budget – Applicants should submit a detailed budget in excel format, accompanied by a narrative that explains the basis of the estimate for each line item

4.0. Application format & Review

A technical panel from KCDMS will review BDSP /NGO submissions using the following criteria:

- Programme approach - Demonstrated success in providing capacity strengthening assistance to VSLG in Kenya through fee-for-service, donor-funded, or other modalities; Applicants should describe their approach/methodology and technical experience in providing capacity building to the VSL groups
- Organizational Capacity – Provide a brief history of the organization and activities related to VSLG capacity strengthening and mentorship. This should demonstrate the applicant’s expertise and ability to provide evidence of previous work done. They should demonstrate their ability to implement the SOW in reference tasks and deadlines, including any training materials they developed in previous assignments that could be adapted for this assignment.
- Implementation plan – the applicant should provide a detailed work plan with specific timelines, activities, and deliverables including a plan for monitoring and evaluation of VSLG activities.
• Budget – All applications should include a detailed itemized budget as per the activities proposed

5.0. Eligibility

Eligible applicants include any legally registered organization that has experience in the areas laid out in the attached SOW. Must demonstrate previous experience working with a network of lending and savings groups.

6.0. Duration of Assignment

The duration of the assignment resulting from this RFA is expected to be no more than 12 months. Effective interventions may be considered for additional funding in subsequent years, subject to performance evaluation and the availability of funds.

7.0. Submission Guidelines

The proposals must be submitted using the English language and must not exceed fifteen (15) pages (excluding annexes).

Application including cover letter, technical proposal and financial proposal (Annex A excel file—KCD RFA Budget Template found here https://www.rti.org/current-opportunities) should be completed and submitted to APS2019@kcdmsd.rti.org with KCDMS VSLA RFA in the subject line reference by 10th April 2019.

Disclaimer: Issuance of this RFA does not constitute an award commitment on the part of KCDMS nor commit the project to pay for costs incurred in the preparation and submission of an application. Further, KCDMS reserves the right to reject any or all applications received. Similarly, an invitation for further negotiation or to submit a full application is not a commitment to fund that application.
SOW FOR CAPACITY STRENGTHENING OF VILLAGE SAVINGS AND LENDING GROUPS (Chamas)

<table>
<thead>
<tr>
<th>1.0 Project:</th>
<th>Kenya Crops and Dairy Market Systems (KCDMS)</th>
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</thead>
<tbody>
<tr>
<td>2.0 Staffed by:</td>
<td>Social Inclusion Team/BDSP</td>
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<tr>
<td>3.0 Reports to:</td>
<td>DCOP</td>
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<tr>
<td>4.0 Location:</td>
<td>Twelve (12) Selected FtF Counties contained in appendix 1</td>
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<td>5.0: Value chains:</td>
<td>Value chains contained in appendix 2</td>
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<tr>
<td>6.0 Duration:</td>
<td>12 months</td>
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7.0 About KCDMS Activity:

The Kenya Crops and Dairy Market Systems (KCDMS) Activity is a component of the USAID funded Feed the Future project implemented by RTI International. The project is working in selected counties in Eastern and Western regions of Kenya to facilitate improved productivity and development of competitive, resilient and sustainable market systems in the dairy, feed/fodder and horticulture value chains. Key among the initiatives includes integrating women and youth and other marginalized groups in the agricultural market systems to increase investments through interventions including access to informal financing.

Project Objective and Approach

KCDMS’s goal is to transform agricultural market systems to enable intensification and diversification into higher value commodities and non-farm activities. The project supports young women and men to engage in profitable agricultural value chains by facilitating market driven partnerships that bring together all players to invest and support women and youth to access resources and services to support their agribusiness.

Chama capacity strengthening

Informal savings and loan groups (known by various names including: chamas, ROSCAs, VSLAs, SILC groups etc.) are recognized as a strong model for delivering financial services in rural and remote areas of the world. Rural communities usually lack access to reliable formal financial services to meet their needs. Chamas can accelerate growth and build local capacity while upscaling economic activities and improving household health and welfare. They meet the unmet demands for financial services and increase financial savings and access to credit that rural families use to cope with shocks and improve food security. Most importantly, VSLA’s brings cohesiveness (all year round) amongst agricultural production groups which are only active during the production period and tend to go dormant after harvest. It helps spur investments in agriculture hence reduce poverty.
The purpose of this activity is to further KCDMS’ objective to improve agricultural opportunities for smallholder farmers, youth and women, through agricultural market-led savings and lending by strengthening and expanding the capacities of already existing Chamas and perhaps reviving Chamas that may have gone dormant. It is preferred to target Chamas that are attached to women and youth groups, and other farmer groups, already participating, or who have the possibility of participating, in the KCDMS program. The target counties include 3 counties within SA2: Kitui, Makuene and Taita Taveta and 9 counties from HR1 area: Bungoma, Kisii, Vihiga, Kakamega, Siaya, Migori, Homabay, Kisumu and Busia.

Objective of the Assignment.
The overall objective of this assignment is to mobilize and build capacities of existing or near dormant Chama groups in the 12 counties of KCDMS focus to encourage an increase in savings and lending; especially for productivity purposes. Results should include improving the management of Chama activities, promoting the saving and lending culture of the communities, while enhancing investment in household agriculture, and improving the cohesiveness of members within the group. Capacity improvements should translate into improved performance of the Chamas, as indicated by increases in savings, loan utilization, group membership, linkages to formal financial institutions, etc.

Scope of Work and Objectives
The scope of the assignment will include:

- Develop a selection criterion for Chama participation in the capacity building intervention. First priority for group selection are farmers already affiliated with social inclusion (women and youth) groups or KCDMS marketing and nutrition grantees. Second priority for selection are groups that are in the target zones and may participate in KCDMS work in the near future. Groups should include at least 50% women and 50% youth.
- Conduct mobilization and profiling of between 25 and 30 Chama groups per county in selected regions. (See regions in Appendix 1. Bidders should clearly specify region(s) they wish to cover.) The profile should serve as a baseline for savings, lending, annual share-out, membership, etc.
- Conduct a capacity assessment of selected Chamas in your assigned region of Eastern, Nyanza or Western and develop a clear training plan and approach.
- Work closely with the KCDMS staff to agree on the content and training modules and manuals for training the Chamas depending on the capacity assessment findings
- Assess the functionality, financial literacy and financial health of the Chamas and provide support and mentorship to the group members regarding the capacity gaps identified
- Follow up on the growth of Chamas in terms of savings, credit and share out including linkages to formal financial Institutions
- Work with Chama groups to ensure linkages with productivity and market systems activities along KCDMS value chains.
- Provide toolkits for Chama management and operation. This may include the need for an ICT platform like ChamaSoft.
- Work with KCDMS M&E team for Chama data collection activities including monitoring plan, members participation and learning activities.
- Submit monthly written reports documenting number participants trained and linked to various market and productivity-based services
- Conduct an end of training and monitoring implementation review meeting with KCDMS staff and provide a final report

**Specific activities and deliverables:**

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<tr>
<th>Activity</th>
<th>Deliverable</th>
<th>Estimated Time Frame</th>
<th>Responsible</th>
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<tbody>
<tr>
<td>Chama organization Inception Report</td>
<td>Identification/assessment report and capacity building plan with training curriculum/management tools.</td>
<td>2 weeks</td>
<td>BDS /KCDMS</td>
</tr>
<tr>
<td>Mobilization, profiling and selection of Chama groups</td>
<td>Report on selection criterion and database of 25-30 Chamas to participate in CB interventions shared with KCDMS</td>
<td>2 weeks</td>
<td>BDS/KCDMS</td>
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<tr>
<td>Training and mentorship of Chama groups in selected modules</td>
<td>Chama members in 12 counties trained</td>
<td>9 months</td>
<td>BDS</td>
</tr>
<tr>
<td>Follow up / monitor Chama activities and growth/linkages</td>
<td>Quarterly progress reports including reporting on standard Chama financial indicators and linkages achieved with formal financial institutions</td>
<td>BDS/KCDMS</td>
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<tr>
<td>Progress assessment using FGDs for learning purposes</td>
<td>Report of FGDs conducted at regional level</td>
<td>1 month</td>
<td>BDS/KCDMS</td>
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<tr>
<td>Final report writing</td>
<td>Due at end of 12-month contract including results of final monitoring</td>
<td>BDS/KCDMS</td>
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**Final Report**

The final report will be not more than 20 pages excluding annexes. It must include:

- Executive Summary of key findings
- Approach/methodology used
- Description of Chama performance, noting improvements in performance and comparing targeted groups versus the performance of “average” groups in the region (using tools like Savix to benchmark performance)
- Report any key issues identified including challenges and learning aspects.
- Recommendations
- Conclusion and Way forward.
• Annexes that includes the names of Chama groups and their members including their telephone numbers, Sex, Age, county, sub county, (template to be provided by KCDMS) as well as metrics on number of meetings in the year, amount of savings accrued, value of loans, default rate, etc.
• A separate attachment of the training materials and tools developed and used
• Final report to include sample photos of training sessions undertaken

Assignment duration
The duration of the assignment shall be 12 months

Supervision of the Consultant
The BDSP will work under the direct supervision of the SI Component lead under the duration of the contract and will work closely with the technical teams in the 3 regions.

Application
The BDSP should submit an application that consists of:

1. A one-page cover letter that summarizes the technical experience and capability in successfully working and providing support and mentorship to Chamas. Should include experience provide support and development to youth and women in livelihoods including agriculture. It should also indicate the availability of the key resource team.
2. A brief technical proposal for the assignment and work plan (not more than 7 pages). The proposal should have an itemized budget and time frame using the attached excel format. The budget must be VAT inclusive.
3. The proposal should include a well outlined project design indicating the approach to Chama selection, coaching and mentoring, plan for implementation, plan for integrating Chama activities with market systems and targeted value chains, clear strategies for providing linkages of Chamas to other services including formal Financial institutions, ICT, etc. and approach in monitoring the Chama performance. Expected improvements in performance (e.g. increase in the volume of savings, increase in lending) due to capacity building measures and reporting tools to measure improvements should also be described.

Total Assignment cost
The total assignment cost is subject to Withholding tax.

Confidentiality
It should be noted that all the information collected in the process of undertaking this exercise together with the reports shall be the property of KCDMS.

Conflict of Interest
This assignment shall be executed as per the terms of reference contained in the contract entered into during partnership engagement and any adjustment, must be agreed upon by all parties in advance before execution of the issue at hand. No conflict of interest is anticipated in the course of the undertaking this assignment.

Appendix 1: Selected KCDMS counties for the Chama strengthening activity

<table>
<thead>
<tr>
<th>A2: Eastern Kenya</th>
<th>HR 1: Nyanza Area</th>
<th>HR 1: Western Area</th>
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<td></td>
<td>5. Siaya</td>
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Appendix 2: Priority Value Chains for KCDMS Activity

1. Dairy
2. Animal feed/fodder
3. Mango
4. Banana
5. Avocado
6. Pineapples
7. Passion Fruits
8. Sweet potatoes
9. Indigenous vegetables