



REQUEST FOR PROPOSALS (RFP)

Terms of Reference

GENDER BONDS REFERENCE STANDARDS DEVELOPMENT

1. Introduction

FSD Africa, in conjunction with UN Women, is seeking the services of a consultant to coordinate the development of specific gender bonds reference standards. The Services will involve reviewing existing gender lens investing standards and the applicable broad gender bond reference criteria. The consultant will also be required to coordinate consultative forums with gender lens investing and capital market practitioners as part of the stakeholder engagement required to build consensus on establishing specific gender bonds reference standards.

1. Background

1.1 Financial Sector Deepening Africa (FSD Africa)

FSD Africa is a specialist development agency working to reduce poverty by strengthening financial markets across sub-Saharan Africa. Based in Nairobi, FSD Africa's team of financial sector experts work alongside governments, business leaders, regulators and policymakers to design and build ambitious programmes that make financial markets work better for everyone. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government.

2.2. UN Women

UN Women, grounded in the vision of equality enshrined in the Charter of the United Nations, works for the elimination of discrimination against women and girls; the empowerment of women; and the achievement of equality between women and men as partners and beneficiaries of development, human rights, humanitarian action and peace and security. Consistent with the UN's renewed focus on Financing for Development (FfD) following the 2015 Addis Ababa Agenda, UN Women has launched a number of important initiatives to ensure that financing for gender equality is accessible, transparent and leads to lasting impact, not least of these is through the development of gender lens frameworks, guidelines and standards.

2.3 Gender Bonds

Gender Bonds are a subset of social/sustainability bonds that seek to finance projects that promote gender equality exclusively.

A gender bond is similar to a plain vanilla corporate bond/sovereign bond. However, the use of proceeds or predetermined outcomes are directed to entities and programmes that have policies or initiatives that promote gender equality and women's empowerment as guided by the United Nation's fifth Sustainable Development Goal (SDG 5) and/or the Women Empowerment Principles (WEPs) and/or other commonly used criteria. In order to satisfy investors as to the integrity of a gender bond issuance, issuers may choose to ascribe to the International Capital Markets Association (ICMA) Social or Sustainability-linked Bond Principles.

In 2020, FSD Africa, in conjunction with UN Women, commissioned a study on the Viability of Issuing Gender Bonds in sub-Saharan Africa. One of the study's key findings was that there is a need for further guidance on the use of proceeds that would qualify a bond issuance as a credible gender bond. As demonstrated by other themed bonds, the availability of reference standards broadly accepted by market stakeholders would allow:

- Issuers to have a clear understanding of what qualifies as a credible gender bond issuance and what the intended impact of the bond will be; and
- Investors to have a degree of comfort that the investment they are making is credible and meets 'market standards'.

2. Objectives and Scope

2.1 Objective

The main objective of the consultancy is to coordinate collaborative efforts in the development of a gender bonds reference standard, which would provide more clarity on eligible gender empowerment projects and initiatives that qualify for the use of gender bonds proceeds. These TORs relate to Phase 1 of the work, which primarily entails undertaking a critical analysis of existing gender lens investing standards and the broad gender bond reference criteria applicable to date.

In Phase 2 of this work, the consultant will facilitate consultative stakeholder forums/workshops with financial market stakeholders to propose recommendations on where and how to strengthen the gender bonds issuance framework within new and existing frameworks with the ultimate objective of supporting the credibility of the global gender bond market and prevent 'pink washing'.

2.2 Scope of work

The scope of work for this project will be sequenced to facilitate phased implementation. Details of the two phases of project implementation are detailed below:

Phase 1

The consultant will be expected to:

1. Undertake a critical analysis of existing gender lens investing criteria, frameworks and standards commonly used in gender bond issuances to identify the commonalities, challenges and opportunities in selecting, investing in and measuring the impact of gender empowerment projects or initiatives. The analysis should also explore the potential to harmonise the existing gender lens investing criteria to provide greater clarity on the eligible projects for the use of proceeds from gender bonds;
2. Formulate a comprehensive stakeholder engagement plan to identify various global gender lens investing and capital market stakeholders (a gender bonds technical working group) to provide input on various components of this work. These stakeholders include but are not limited to fund managers, investments banks, potential issuers, gender lens investing experts, IFIs, ICMA, UN agencies, second party opinion providers and rating agencies;
3. Develop a workable approach to gathering relevant information required from each participating member of the technical working group through project documents and interviews;
4. Present the draft report containing an analysis of existing gender lens investing criteria, frameworks and standards commonly used in gender bonds issuances to the working group for their peer review through consultative workshops; and
5. Participate in a dissemination event to highlight the findings of the report.

It is expected that the critical analysis and consultative engagements will be conducted using the following approach:

1. A desk review of relevant documents, including but not limited to studies conducted on social and gender bonds (including the study conducted in 2020 on the feasibility of issuing Gender

Bonds in sub-Saharan Africa (Viability of gender bonds in sub-Saharan Africa | FSD Africa) as well as relevant frameworks/ standards and principles which support the broader Social/ Sustainable bond market - these include but are not limited to: the SDG Bond Standards, ICMA Bond Principles, and key studies on Gender and Climate as well as research from the World Benchmarking Alliance, the 2X Criteria, UN Women Empowerment Principles (WEPs), SDG5 targets and indicators and IRIS+.

2. Key respondent interviews with capital market stakeholders as well as gender and gender lens investing specialists.

The above list is not exhaustive, and the consultant is free to suggest additional ways to undertake the study.

Phase 2:

Upon successful completion of *Phase 1*, the consultant will be expected to:

1. Having regard to stakeholder sentiment channelled through the technical working group, develop a gender bonds taxonomy (i.e. classification system) based on a mapping of existing frameworks, principles and standards undertaken in *Phase 1* of this project;¹
2. Draft concrete recommendations on how to strengthen the gender components within the most frequently cited standards and principles, including but not limited to the UNDP Sustainability Bond Standards and ICMA's SBPs;
3. Set out the pathways for the technical working group to deliberate upon and enhance these recommendations, ensuring that the key lessons learnt from the development of the green bond market (and other thematic bonds) are taken into consideration;
4. Plan and facilitate at least two consultative workshops to review and validate the proposed gender bonds taxonomy; and
5. Present the final recommendations on the proposed gender bond reference standards to custodians of already existing social bond and sustainability bond standards such as ICMA and UNDP for their consideration and adoption.

FSD Africa and UN Women will:

- Identify a consultant to undertake Phase 1 of this project (with FSD Africa managing the consultant contractually)
- Participate in the consultative workshop(s)
- Review and sign off key deliverables

6. Deliverables

The deliverables under Phase 1 of the assignment are as follows:

1. An Inception Report that should include:
 - i. a conceptual framework
 - ii. draft interview questionnaires

¹ Including but not limited to the relevant frameworks/ standards and principles which support the broader Social/ Sustainable bond market - these include but are not limited to: the SDG Bond Standards, ICMA Bond Principles, the 2X criteria, WEPs and the use of SDG5 targets and indicators, IRIS + , and key studies on Gender and Climate as well as research from the World Benchmarking Alliance

- iii. proposed stakeholder engagement plan and terms of reference for the technical working group
2. Draft report containing a critical analysis of the existing gender lens investing criteria, frameworks and standards commonly used as reference criteria in gender bond issuances
3. Facilitation of at least two technical working group workshops, together with preparation of the required supporting slides/documentation
4. Post-workshop report summarising the key findings of the technical working group workshop(s) and providing reflections/recommendations on the way forward
5. A final report and presentation incorporating stakeholder views from the technical working group

The consultant's work will be reviewed by FSD Africa, as well as UN Women, and other partners that FSD Africa and UN Women may choose to co-opt into the review process.

7. Timelines

The consultant is expected to execute the tasks under the deliverables over a period of twenty-four (24) weeks.

Inception Report	Within two (2) weeks of signing of the contract
Draft Report	Within eight (8) weeks of signing of the contract
Facilitation of at least two (2) workshop(s)	Within sixteen (16) weeks of signing of the contract
Post-workshop report	Within two (2) weeks of the scheduled working group workshop(s)
Final report and presentation	Within twenty-four (24) weeks of signing of the contract

6. Invitation to Tender

FSD Africa and UN Women are inviting proposals from suitably qualified consultant (s) based on the contents of these terms of reference.

Proposals should contain:

1. CV of the Consultant (s), not exceeding 3 pages and tailored to the assignment;
2. A summary of the consultant's recent experience in providing the kind of technical support called for in these terms of reference;
3. A description of the consultant's understanding of their role in the assignment and a work plan highlighting how they intend to fulfil the services within the suggested timeline;
4. Samples of other work to demonstrate capacity to carry out the assignment and testimonials from previous clients and/or employers;
5. A detailed budget for both professional fees and reimbursable expenses. The budget should include and clearly specify VAT, Kenyan WHT and any other taxes applicable.

Submitted proposals should not exceed 10 pages (excluding annexures). The review will be based on the main proposal. This should be sent by email to FSD Africa at bids@fsdafrica.org by noon (EAT) on **22nd October 2021** under a subject line reading 'Invitation to tender: Gender Bonds Reference Standard Development - Phase 1.'

Applications received after this deadline will not be considered.

6. Basis of award

Mandatory Requirements
Undertaken at least two (2) similar assignments in the last 7 years.
Should have strong convening and influencing skills and demonstrate experience in multi-dimensional stakeholder facilitation at a global level.

Relevant experience in capital market/bond market development with specific focus on social impact and gender investing strategies.

Understanding/interpretation of the task set out in the TORs.

Selection will be made based on the following criteria:

Item	Assessment criteria	Weighting (%)
Experience	Strong convening and influencing skills and demonstrate experience in multi-dimensional stakeholder facilitation at a global level	15
Skills and Qualification	Relevant experience in capital market/bond market development with a specific focus on innovative social impact and gender investing strategies	45
Methodology	Understanding/interpretation of the task set out in the TORs	20
Fee basis and total costs	<p>A detailed budget for both professional fees and reimbursable expenses.</p> <p>FS = 20% x LB/BP where:</p> <p>FS = is the financial score LB = is the lowest bid quoted BP = is the bid of the proposal under consideration.</p> <p>The lowest bid quoted will be allocated the maximum score of 20%. Fee quoted must be inclusive of applicable withholding tax</p>	20
TOTAL		100

7. Contact

Questions or comments in respect of this Request for Proposal should be directed to bids@fsdafrica.org on or before 12 noon (EAT) **14th October 2021** and a response will be provided on **18th October 2021** 5PM (EAT)

8. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the consultant after withholding the appropriate taxes at the applicable rate between Kenya and the consultant's country of tax residence, considering any tax treaties in force. It is the responsibility of the consultant to keep themselves apprised of these applicable taxes. The below table, however, provides guidance on the applicable rates as per tax regimes.

Country	WHT Rate
Kenya	5%
United Kingdom	12.5%
Canada	15%
Germany	15%
Zambia	15%
India	10%



Country	WHT Rate
Non-resident rate for citizens of EAC member countries	15%
All other countries	20%