

TERMS OF REFERENCE

FSD AFRICA DEVELOPMENT IMPACT PARTNER

1. Introduction

FSD Africa ("the Company") seeks to contract a Service Provider (firm or consortium), hereafter referred to as "the Impact Partner", to support the Company to understand and enhance its development impact.

The Service Provider's scope of work will include three key tasks:

- i. partner with the development impact (DI) team - including through technical coaching of team members - in implementing and periodically refining FSD Africa's DI planning and management guidelines, processes and tools;
- ii. support the Director, Development Impact in planning for and quality assuring the DI pillar's outputs, ensuring that FSD Africa's growing portfolio of projects and investments receives the DI-related support it needs; and
- iii. provide FSD Africa's Development Committee with capacity and domain expertise to fulfil its mandate to monitor the Company's development impact.

This will be a long-term engagement spanning at least three years (April 2022-March 2025). FSD Africa and the Service Provider will agree to a work schedule at the beginning of each year, and payments will be on a draw-down basis. We anticipate that the level of effort will be 140 person-days per annum, on average. The Impact Partner is expected to commence work in May 2022.

2. Background

2.1 FSD Africa

FSD Africa is a specialist development agency funded by UK Aid from the Foreign, Commonwealth & Development Office (FCDO). Set up in 2012, FSD Africa has the mandate of building and strengthening financial markets across sub-Saharan Africa. We work to reduce poverty by enhancing Africa's financial markets by tackling the most intractable financial market challenges in Africa - including the lack of long-term finance, limited pathways for sustainable investment and inadequate risk management capacity. We focus our work where the need is greatest and where we believe the potential for impact is the most significant. We have a specific mandate to invest in breakthrough, innovative ideas that we believe can have a transformative impact.

In 2021, we made a significant shift in our strategy to enable a more sustainable approach to finance Africa's development. This entails implementing interventions that catalyse mobilisation and efficient deployment of green finance into sustainable, inclusive growth initiatives and deliver environmental and social outcomes. We shall also help our priority countries¹ drive transformational, pro-investment policy reforms and develop innovative transactions to fund Africa's green transition. While foundational work in financial markets will continue, the increasing emphasis on green finance and transaction readiness is a big priority. Please find more details about FSD Africa on our website at www.fsdafrica.org

¹ Kenya, Ghana, Nigeria, Ethiopia, Morocco, South Africa, Somalia and Sudan

2.2 Development Impact at FSD Africa

FSD Africa's relatively new Theory of Change (see Annex 1) is our overarching DI framework. We work to:

- Deliver environmental benefits by supporting the greening of Africa's economies
- Increase economic opportunities through the creation and protection of jobs
- Address fragility and vulnerability amongst those who are most impacted by the harmful effects of climate change

Our ToC is an ambitious one and portends lots of complexity in measuring, effectively communicating, and learning from our work. Over the years, we have continued innovating and improving our Development Impact planning and management approaches. Our strategic shift in 2021 presented a unique opportunity to update our DI guidelines, aligning it with the Impact Management Project, a global platform for developing global consensus on how to measure, manage, and report sustainable impact. FSD Africa's Development Committee ratified the updated guidelines in November 2021. We will be implementing and refining these guidelines over time. Collaboration with an Impact Partner would therefore be timely.

3. Scope of work

Considering the above background, the Impact Partner will be expected to provide FSD Africa with high-quality, multifaceted technical support, as detailed below.

a. Technical Assistance and Quality Assurance

- Support the implementation of the new DI guidelines ensuring that revised and new tools are utilised and project/deal teams are supported on time. The Impact Partner will in particular be expected to spend more time supporting activities at the front-end of the DI planning and management cycle, for instance ex-ante impact screening of our pipeline.

Estimated LoE per annum: 45 person-days

b. Evaluation, Evidence and Insights

- Provide advice on Terms of Reference (ToRs) and support procurement for specific thematic evaluations or other studies.
- Participate in the quality assurance of reviews undertaken by other Service Providers, including but not limited to reviewing their draft deliverables.
- Contributing to our plans to disseminate evaluation reports or other materials that illustrate our impact while helping to ensure recommendations are implemented, and lessons are utilised.
- Support the systematisation of learning within FSD Africa - where necessary, critiquing and helping refine learning guidelines, tools, processes and annual learning plans.
- Coach or mentor the DI team (esp. Evidence & Insights team) to support and influence learning across FSD Africa
- Participate in regular analysis and insights generation to tell FSD Africa's impact stories targeting the different target audiences

Estimated LoE per annum: 25 person days per year

c. Research

- Carry out, or provide guidance on, studies that help FSD Africa to fulfil its learning agenda - prioritising learning questions that support our strategic direction.
- Advise on appropriate implementation of an effective research management function.

Estimated LoE per annum: 60 person days per year

d. Support to Management and Board

- Provide expert advice to Director, Development Impact, FSD Africa’s Executive Committee (EXCO), FSD Africa’s Development Committee and FCDO on the current state of knowledge - theory and evidence - relating to the impact of the financial system on sustainable development.

Estimated LoE per annum: 10 person days per year

4. Basis of award

FSD Africa will award a contract to the most economically advantageous tender based on the following criteria:

Mandatory requirements	
Sound and in-depth knowledge of Africa’s financial markets and related challenges that hinder socio-economic growth, including themes relevant to FSD Africa’s strategy: green, digital, capital markets, and impact investing.	
Demonstrated experience supporting development impact within private sector development programs across SSA.	
Experience in conducting research and generating insights and evidence to support adaptive management within organisations.	
Evidence of quality management processes and experience to deliver a high-quality output on schedule and with value for money considerations	
Available to start at the required time and can engage intensively with this assignment to deliver outputs as per schedule jointly agreed with the Director, Development Impact.	
Ability to commit a team for a three-year contract and articulate a contingency plan in case of unplanned events.	
Desirable requirements	
Partnerships with firms or consultants with strong local expertise and presence within our priority countries is highly encouraged and is a means of promoting global North-South collaboration and contextualised support by the Impact Partner.	
Assessment criteria	Weighting (%)
Relevant, demonstrated experience and capacity of firm in this area	20%
Demonstrated expertise of key individuals to be involved in this project	30%
A team’s commitment for a three-year contract and relevant contingency plans	10%
Content, quality and originality of proposal	20%

Fee basis and total costs	20%
Total	100%

5. Invitation to tender

FSD Africa invites qualified firms to submit a proposal discussing the approach you intend to use to execute this assignment effectively. Please note that this contract will run for three years, but annual plans will be developed, discussed and approved by FSD Africa. Your proposal should contain:

- i. Your interpretation of the tasks set out in the ToR. Please include any positive criticism of the approach proposed by FSD Africa and highlight any risks/challenges you perceive facing as you work on this assignment.
- ii. Your experience on similar assignments and the team's technical expertise
- iii. A budget for both professional fees and reimbursable expenses (if any)-see annex 2
- iv. A confirmation of your team, plus an indication of how tasks above will be shared. Include CVs of key individuals. Please limit each CV to maximum one page for each team member. Detailed CVs may be included as an annexure.

Short-listed bidders may be invited to make an in-person presentation of their proposed approach to the Development Committee (DC).

Proposals not more than 10 pages (excluding annexures) should be submitted FSD Africa by email - bids@fsdafrica.org by 12 noon (EAT) on **25th April 2022** under a subject line reading 'Invitation to tender: Development Impact Partner'.

6. Contact

Questions or comments in respect of the terms of reference should be directed by email to: bids@fsdafrica.org on or before **5th April 2022**. Responses will be circulated to all bidders using the same advertisement channels on or before **12th April 2022**

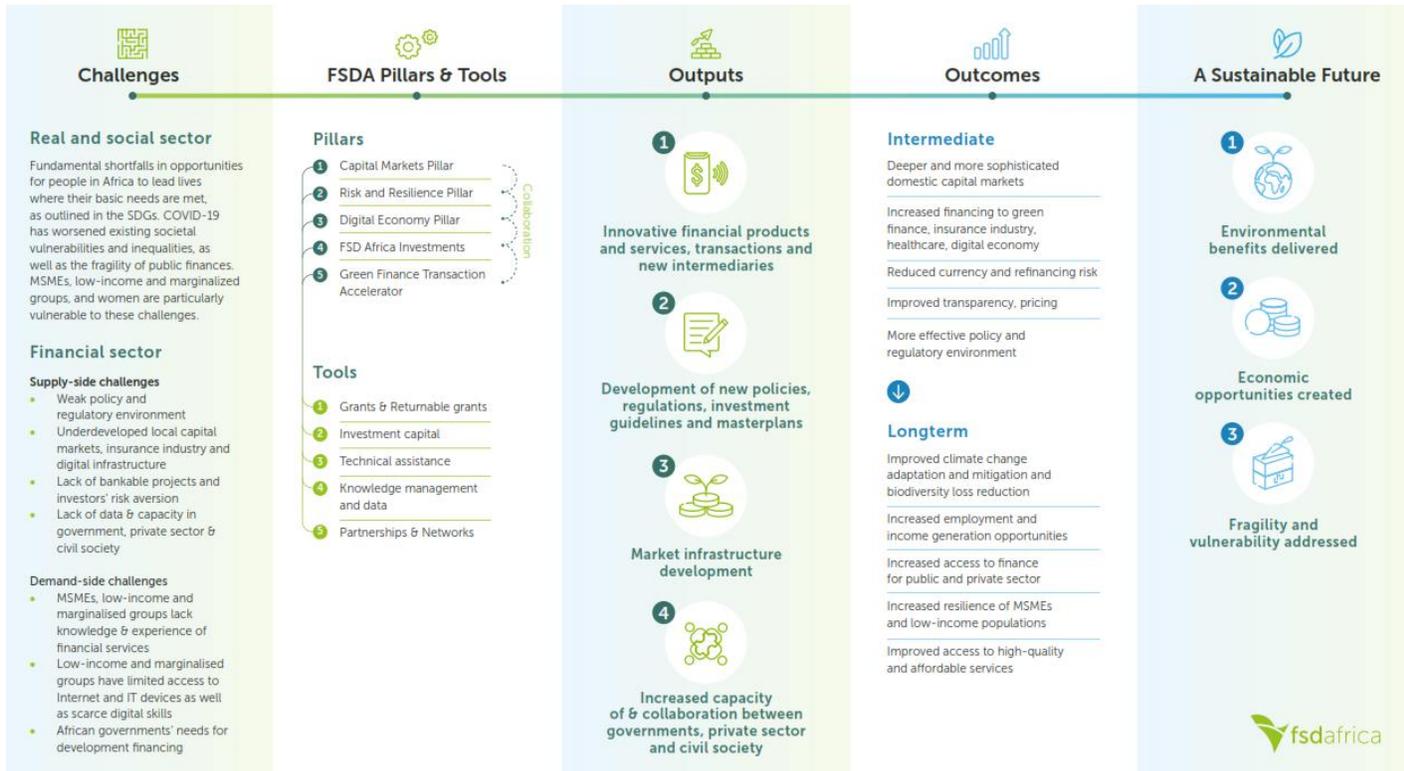
7. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the Service Provider after withholding the appropriate taxes at the applicable rate between Kenya and the Service Provider's country of tax residence, considering any tax treaties in force. It is the responsibility of the Service Provider 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%
Non-resident rate for citizens of EAC member countries	15%
All other countries	20%

Annex 1- FSD Africa ToC



Annex 2

Proposed Fee Schedule

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes

Consultancy fees*	Days	Fee USD/GBP	Total USD/GBP
xx			
xx			
Total remuneration			0.00
Reimbursement costs**	Unit	Cost USD/GBP	Total USD/GBP
xx			
xx			
Total reimbursement cost			0.00
Total proposed costs			0.00
<i>*Fees incl of all taxes</i>			
<i>**Expenses to be reimbursed on actual costs as per FSD Africa's travel policy</i>			