



**European Union (EU)**

**Kenya Forestry Research Institute (KEFRI)**

Water Towers Protection and Climate Change Mitigation and Adaptation (WaTER) Programme:

Science to Inform Design of Community-Level Actions and Policy Decisions (component 4) Project

**TENDER NO. KEFRI/HQT/WT/012/2017-2018 – EXPRESSION OF INTEREST FOR PROVISION OF CONSULTANCY SERVICES TO DEVELOP NATURE BASED ENTERPRISES TARGETING YOUTH, WOMEN AND PEOPLE WITH DISABILITIES.**

**TERMS OF REFERENCE (TOR)**

**CONTRACT TYPE: CONSULTANCY**  
**STARTING DATE: FEBRUARY, 2018**  
**CLOSING DATE: THURSDAY, 4<sup>TH</sup> JANUARY, 2018 AT 10.00AM**

**1. BACKGROUND**

Kenya Forestry Research Institute (KEFRI) is a state corporation established in 1986, under the Science and Technology Act (Cap 250) of the Laws of Kenya. The pioneer Act has to date been repealed by the Science, Technology and Innovation Act No. 28 of 2013. The institute is categorized under the Environment Sector and has an obligation to undertake forestry research, generate and promote improved technologies for sustainable management, conservation and development of forests and allied natural resources. KEFRI is ISO 9001: 2008 and ISO 14001:2004 certified thus operates in conformity with international standards on quality assurance and sound environmental management practices as well as other relevant national legislations.

**1.1 EU funded-Kenya's Water Towers Protection and Climate Change Mitigation and Adaptation (WaTER) Programme.**

KEFRI has been funded by the EU to implement Component 4 of the WaTER Programme whose Overall Objective is to support poverty eradication through improving the sustainability of ecosystem services of Kenya's critical ecosystems and enhancing their resilience to climate change. The Project aims to improve the quality and quantity of ecosystem services provided by Kenya's water towers through increased forest cover, improved landscape and natural resource management, and waste management systems leading to increased benefits to rural communities from forest, agriculture and agro-forestry land use systems.

Component 4 of WaTER Programme activities cover diverse areas of development and activities addressing different specific objectives of the project. One of the key result areas targets nature based

enterprises (NBEs) with special focus on women, youth and people with disabilities. While implementing this, the project will deal with issues of need for capacity building, establishment of village saving associations and nature based enterprises, mentorship and linkages at community level so as to achieve the objective of the project.

## **LOT 1: ESTABLISH ONE VILLAGE SAVINGS AND LOANS ASSOCIATIONS (VSLA) EACH IN MT ELGON AND CHERENGANY HILLS ECOSYSTEM.**

### **1. Background**

The Water Tower Programme (Component 4) intends to contract the services of a consultancy firm with highly experienced Consultants in establishment of two village savings and loan associations in Mt. Elgon and Cherengany Hills ecosystems. This is because one of the main challenges of nature based small business is access to finances and credit. The VSLA model will be effective in encouraging small business operators to make savings and benefits from members saving through access to credit. This will ultimately improve businesses' operational capacity and improved community livelihoods.

### **2. Scope of Assignment**

The consultancy is expected to identify a capable operational group that can adopt VSLA concept, disseminate information on VSLA concept and operationalize the concept to have one operational VSLA per ecosystem. This will include case studies of success groups in relevant parts of the country that are using similar principles and models. The specific tasks and responsibilities are as follows:

- An inception meeting with the project staff to familiarize with the project.
- Compile background and qualitative information on village savings associations and similar micro finance associations in the two ecosystems;
- Develop a criteria for selection, recruitment and mobilization of a group;
- Identify community/Youth/women/CFA/WRUAs groups to work with in each ecosystem
- Carry out capacity assessment and build capacity of the formed VSLAs through Focus group discussions
- Procure VSLA tool kits and demonstrate their use and test rate of uptake
- Support registration of the VSLA to ensure compliance with all legal considerations and requirements
- Establish one VLSA in each ecosystem and avail copy of registration certificate

### **3. Expected outputs**

The expected outputs of this consultancy are as follows:

- An inception report detailing expectations and methodologies to be used
- A Capacity assessment report including a capacity building strategy on VSLAs.

- Name of identified working group in the ecosystem with at least membership of 10 persons (factoring the prerequisite intention to reach women, youth and persons with disability)
- VSLA tool kit per group with applicable registers and certificate of registration of the established VSLA in each ecosystem
- Training modules and report on concept and establishment of VSLAs
- Evidence of operation of the VLSA established
- Validation and final reports on establishment of VLSA in each of the ecosystem.

#### 4. Reporting/ Supervision/ Presentation

The Consultant team will work under the overall guidance of Director KEFRI and will be coordinated by the Principle Investigator/Project Manager.

The Institute will avail the required documents for review by the Consultant and provide any other necessary support that will facilitate the collection of data and final presentation of the reports.

#### 5. Reports and Timeframe

This activity should be conducted and completed within a period of 51 working days from the date of signing the contract with KEFRI.

<b>Activity</b>	<b>Timeline</b>
Inception meeting	1 day
Inception Report	2 days
Capacity assessment and capacity building strategy for the identified working groups	8 days
Developing modules, acquisition of VSLA tool kits, Training and reporting on concept and establishment of VSLAs	10 days
Focus group discussions and data collection	10 days
Supporting the establishment of VLSAs in each ecosystem	10 days
Validation workshop	2 day
Final report writing and presentation	8 days
<b>Total number of days</b>	<b>51 days</b>

## **LOT 2: DEVELOP AND IMPLEMENT A TRAINING PROGRAMME ON BEST BUSINESS PRACTICES AND SUPPORT SETTING UP OF TWO NATURE BASED ENTERPRISES IN EACH ECOSYSTEM (MT. ELGON AND CHERENGANY HILLS)**

### **1. Background**

The Water Tower Project (component 4) intends to contract the services of a consultancy firm with highly experienced Consultants to develop a training curriculum and use the same to train at least **twenty five** (25) community members in each eco – system on two nature based enterprises (NBEs) and best business practices. The successful consultant will also review documents and reports on nature based enterprises (NBEs) previously done under the Water Towers project for information and data.

The consultancy is expected to strengthen the capacity of the beneficiary communities living in and around the forests to spur business operations in nature based products and reduce dependency on forestry goods and services and improve livelihood. The Consultancy will also support setting up of a successful nature based enterprise in each of the two eco systems (Cherengany Hills and Mt. Elgon), provide groups with one-on-one support to address internal and external constraints.

### **2. Objective of the Consultancy**

The consultancy aims at building capacity of at least 50 community members across the two ecosystems of Cherengany Hills and Mt. Elgon and support in the establishment of two nature based Enterprises in each of the Ecosystems. KEFRI wishes to pay special attention to special interest groups particularly Women, youth and people with disabilities.

### **3. Scope of Work**

The selected firm/consultant shall work closely with KEFRI Water Towers Project (component 4) staff and project partners to carry out the following:-

- Develop criteria for mobilization, selection and recruitment of a community group to work with.
- Undertake capacity assessment based on desk research, in order to identify technically and financially viable Nature Based Enterprise options in the two eco-systems
- Identify opportunities to promote production and marketing of value added NBEs in the two eco-systems.
- Plan and deliver training to entrepreneurs/community members/trainees on how to establish, sustain and continually improve NBEs;
- Provide guidance on the development of business plans for the targeted groups
- Support to develop memorandum , articles of associations, partnership deeds
- Support registration of groups , businesses and companies
- Promote business partnership with retailers, distributors and other stakeholders in the value chain.

#### 4. Expected outputs/deliverables

- List with number of selected trainees/ groups with their specific details identified for capacity building
- Training Curriculum/Manual with modules for training
- Training report detailing what the trainees have been trained on and how they have responded to training
- List of Viable NBEs
- A business Plan for the groups established
- Evidence of established and operational NBEs in each ecosystem (Registration certificate)
- Final report on setting up enterprises in each of the eco-systems

#### 5. Reporting/ Supervision/ Presentation

The Consultant team will work under the overall guidance of Director KEFRI and coordinated by the Principle Investigator/Project Manager. The Institute will avail the required documents for review by the Consultant and provide any other necessary support that will facilitate the data collection and final presentation.

#### 6. Timeframe

This activity should be conducted and completed within a period of 40 working days from the date of signing the contract with KEFRI. The consultant will submit draft documents for inputs by KEFRI staff, of which he/she will submit final copies one week after receiving comments.

Activities	Estimated number of Evaluation days
Inception meeting and inception report	2 days
Desktop review, Assessment, mobilization, recruitment	8 days
Development of training modules/curriculum	8 days
Validation and approval of the training modules and training programme by Project Team	10 days
Training of groups and their members in various relevant skills in entrepreneurship	12 days
Guidance on the development of business plan for the targeted groups	4 days
Support to communities to develop memorandum , articles of associations, partnership deeds for groups, business and to register an Enterprise in each eco system	15 days
Final report writing on the Training on NBE and Best business practices	5 days
Final report writing on the introduction and support to set up NBEs	5 days
Validation Workshop	1 day

**LOT 3: LINK COMMUNITY MEMBERS FROM EACH OF THE TWO ECOSYSTEMS (MT. ELGON AND CHERENGANY HILLS) WITH EXISTING AND POTENTIAL MARKETS FOR NATURE BASED ENTERPRISES**

**1. Background**

KEFRI Water Towers Project (component 4) wishes to develop and promote profitable value chain enterprises anchored on NBEs that potentially provide increased community incomes at household level, create more employment opportunities, and have important spin-off effects on the local economy. Water Towers Project would like to remove barriers to market access for community NBEs products enhancing their competitiveness and creating multiplier effects throughout the value chain.

The Water Tower Project(component 4) therefore seeks to contract the services of a consultancy firm with highly experienced consultants to facilitate the linking of farmers (at least 15 individuals from each eco system; special preference to special groups) to markets for specific products mentioned above through evaluation of current farmers/entrepreneurs and farmer/community organization marketing practices and identification of ways to improve marketing methods and business linkages for farmers to become more competitive in the market place and increase their incomes.

**2. Objective of the Consultancy**

This consultancy aims at ensuring that the targeted groups/communities in Mt. Elgon and Cherengany Hills ecosystems are trained and have knowledge and information on market linkages, potential markets and can easily link to potential customers to spur business growth. KEFRI puts special interest and focus to special interest groups especially women, youth and people with disabilities.

**3. Scope of the Assignment.**

The selected firm/consultant shall work closely with KEFRI Water Towers Project (component 4) staff and project partners to carry out the following;-

- Mobilize and establish working group/s
- Review of the Value chain analysis reports for key products for Mt. Elgon and Cherengany Hills ecosystem to understand the gaps, opportunities and proposed interventions for upgrading the selected value chains as identified and recommended by the value chain consultant (contact the undersigned for the reports).
- Visit established NBEs and entrepreneurs and conduct a rapid assessment on their operations to understanding their current and past production and marketing activities and strategies.
- Create a marketing team comprising of farmer/Community representatives of groups
- Develop a marketing training manual and train the teams on marketing of NBEs

- Identify suitable market sites and farmer groups with experience in joint marketing of their members' NBEs.
- Link the partner organization marketing committees with markets and trade organizations. The consultant will organize meetings between marketing committee members and buyers, handhold the committee members initially and lead them in negotiating for orders with buyers in the market.
- Build capacity of entrepreneurs in overseeing the initial buying and selling transactions between the partner and buyers so as to offer support in solving challenges.

#### 4. **Expected Outputs and Deliverables:**

- Inception report covering the value chain analysis synthesis report
- Marketing training report and manual.
- Market linkages report: covering deals signed, MOAs, possible volume sales of key NBEs products, markets visited among others.
- Final report on establishment of market linkages benefitting 15 individuals in each eco region

#### 5. **Reporting/ Supervision/ Presentation**

The Consultant team will work under the overall guidance of Director KEFRI and coordinated by the Principle Investigator/Project Manager. The Institute will avail the required documents for review by the Consultant and provide any other necessary support that will facilitate the data collection and final presentation.

#### 6. **Reports and Timeframe**

This activity should be conducted and completed within a period of 30 working days from the date of signing the contract. The consultant will submit draft documents for inputs by KEFRI staff, of which he/she will submit final copies one week after receiving comments.

<b>Activity</b>	<b>Timeline</b>
Inception meeting/report	1 day
Community mobilization and establishment of working groups	4 days
Review of Value chain analysis reports and conduct a rapid assessment of operations of existing NBEs	8 days
Train select teams on marketing of NBEs for trainees to understand the demand and supply characteristics of NBEs markets	4 days
Link select groups with marketing committees with markets/traders and trade organizations	4 days
Build capacity of entrepreneurs in overseeing initial buying and selling transactions between the entrepreneurs and buyers	4 days
Final report writing on the linking of entrepreneurs to markets	5 days

Total number of days	<b>30days</b>
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**Evaluation of the EOI**

The evaluation committee appointed by KEFRI shall evaluate the proposals by their responsiveness to the terms of reference by applying the evaluation criteria as follows:

**Table 1: Preliminary/Mandatory Requirements**

S/No	Requirements	Remarks (Yes/NO)
1	Detailed Company Profile	
2	Copy of Business Registration Certificate or Certificate of Incorporation	
3	Copy of Valid Tax Compliance Certificate;	
4	Financial Audited Statement for the last three years (i.e. 2014, 2015 and 2016)	
5.	Reference letters from at least three previous/current clients where similar consultancy assignments have been undertaken; and	
6.	Attach a Valid Single Business License from a County Government	
	<b>REMARKS (YES/NO)</b>	

**NB.** Please note that all the above requirements shall all be treated as Mandatory which will form part of the Tender Responsiveness. Only bidders who meet the above shall proceed to the technical evaluation stage for further evaluation.

**Table 2: Technical Requirements**

S/No.	Criteria	Maximum Score
	<b>Applies to all the lots</b>	
1.	Specific experience of the Consultant related to the assignment (should be proved by attaching copies of contracts/Local Service Orders (LSO) from at least four (4) past clients on similar assignments). Each contract/LSO provided will earn 5 marks.	<b>20 marks</b>
2.	Provide at least four (4) copies of Recommendation Letters/Clearance Certificate from previous similar assignments. Each reference letter provided will earn 5 marks.	<b>20 marks</b>
3.	Adequacy of the proposed Work Plan and Methodology in responding to the Terms of Reference (with emphasis on clarity, sequence in flow and technical capability)	<b>40 marks</b>



<b>NOTE: THIS WILL BE APPLICABLE PER LOT AND BIDDERS MUST SUBMIT DIFFERENT TENDER DOCUMENTS FOR EACH LOT APPLIED FOR.</b>		
4.	<p>Qualification and competence of key (lead) staff for the assignment.(Should be proved by attaching copies of academic and professional certificates in a relevant field):-</p> <p><b><u>i). Required Skills for Lead Consultant – Lot 1</u></b></p> <ul style="list-style-type: none"> <li>• Shall possess at least a Master’s Degree in economics, Social Studies, Finance or Rural/ Community/ Development Studies or other related disciplines.</li> <li>• Shall possess 3 years professional experience in supporting community development, building capacity on microfinance, supporting establishment of Table banking, VSLAs and related services</li> <li>• Strong competencies in qualitative research and development studies.</li> </ul> <p><b><u>ii) Required skills for the Lead Consultant- Lot 2</u></b></p> <ul style="list-style-type: none"> <li>• The Lead consultant shall possess at least a Master’s Degree in Enterprises Development, Finance or Economics, Rural Development/Social Science or related disciplines.</li> <li>• The Lead consultants shall have a minimum of 3 years professional experience in supporting community development, building capacity on microfinance, supporting establishment of Table banking and related services. Past experience in implementing similar programme’s will be an added advantage</li> <li>• Strong competencies in qualitative research and development studies.</li> </ul> <p><b><u>iii) Required skills for the Lead Consultant- Lot 3</u></b></p> <ul style="list-style-type: none"> <li>• The Lead consultant shall possess at least a Master’s Degree in enterprises development, finance, economics, rural development, social science or other related disciplines.</li> <li>• The Lead consultant shall have a minimum of 3 years professional experience in supporting community development, building capacity on microfinance, supporting establishment of Table banking and related services. Past experience in implementing similar programme’s will be an added advantage</li> <li>• Strong competencies in qualitative research and development studies.</li> </ul>	<b>20 marks</b>
<b>TOTAL</b>		<b>100</b>

**Note:**

EOIs will be assessed against the firm’s capability as per the above evaluation criteria.

1. This is NOT a Request for Proposal. After a review of the EOI proposals, short listing will be

done and the most responsive firm will be invited to submit their combined Technical and Financial proposals through a Request for Proposal document. Only Expression of Interest (EOI) proposals meeting a minimum technical score of 80 points and above will be invited to participate in the Request for Proposal.

2. Complete EOI documents submitted in two copies “**ORIGINAL**” and “**COPY**” and placed in plain sealed envelopes clearly marked the tender reference number and name should be addressed to:

**THE DIRECTOR,**

**KENYA FORESTRY RESEARCH INSTITUTE,**

**P.O BOX 20412-00200 CITY SQUARE,**

**NAIROBI .**