



## MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES STATE DEPARTMENT OF AGRICULTURE

### KENYA CEREAL ENHANCEMENT PROGRAMME – CLIMATE RESILIENT AGRICULTURAL LIVELIHOODS WINDOW (KCEP-CRAL)

#### EXPRESSION OF INTEREST (CONSULTING SERVICES- FIRMS SELECTION) FEASIBILITY STUDY FOR AGRICULTURAL (CROP) INSURANCE IN THE ASALS: MOALF-SDA-KCEP-CRAL-EOI-001-2017

GRANT NO.2000000623

#### 1.0 BACKGROUND

The Kenya Cereal Enhancement Programme – Climate Resilient Agricultural Livelihoods Window (KCEP-CRAL) is a partnership between the Government of Kenya, European Union and International Fund for Agricultural Development (IFAD) including grant resources from the Adaptation of Smallholder Agriculture Programme-ASAP. The Programme is expected to be completed in September 2022. It is implemented by Ministry of Agriculture, Livestock and Fisheries (MoALF) and supervised by IFAD. The overall goal is to contribute to the reduction of rural poverty and food insecurity of smallholders in the ASALs by developing their economic potential while improving their natural resources management capacity and resilience to climate change in an increasingly fragile ecosystem.

The Programme is implemented through a value chain approach aimed at increasing production of cereal staples (mainly, maize, sorghum, millet and associated pulses, namely green grams, pigeon peas and cow peas); increasing incomes of targeted smallholders; and supporting farmers' graduation from subsistence to commercial agriculture. The Programme covers 8 counties, namely, Embu, Tharaka Nithi, Kitui, Machakos, Makeni in Eastern region and Taita Taveta, Kwale and Kilifi in Coast region.

#### 2.0 OBJECTIVES OF THE FEASIBILITY STUDY

The main objectives of the feasibility study is to analyse the relevance, needs and demands of agricultural (crop) insurance product/scheme and subsequently provide recommendations on possibly suitable and appropriate crop insurance product(s)/scheme(s) for inclusion in the Programme's e-voucher package for smallholder farmers in the targeted eight ASAL Counties. The specific objectives of the study are:

- (i) to document relevant lessons learnt from available or emerging agricultural insurance products/schemes in Kenya and other countries and how these could be replicated or adapted to the ASAL areas under KCEP-CRAL;
- (ii) to propose relevant existing, emerging or new products for delivery under KCEP-CRAL and potential partners including insurance companies for further implementation; and
- (iii) To propose a detailed action plan for implementation.

#### 3.0 SCOPE OF STUDY

The study will be carried out in phases. Phase 1 will cover the review/assessment of current and ongoing agricultural crop insurance products or schemes that are or could be of relevance to a segment of KCEP-CRAL beneficiaries in the target Counties, with emphasis on areas of specific interest to the Programme. Phase 2 will focus on recommendation of suitable and appropriate agricultural crop insurance product(s) for the Programme, scheme design, potential partner insurance company (ies) and/or Technical Service Providers for implementation. In addition, a detailed action plan (budget, costs and timeline), together with delivery mechanism for implementation considering relevant appropriateness to County specific context, outlining roles and responsibilities of different actors and sustainability/exit strategy beyond Programme phase out shall be included.

KCEP-CRAL now invites eligible consulting firms ("Consultants") to express their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

#### 4.0 EXPECTED OUTPUTS

The following are the main deliverables for the assignment:

- 1) An analysis of the agricultural insurance landscape and the relevance and suitability of these products/schemes to the ASALs; risks and constraints related to agriculture (crops) in ASAL areas covered by the Programme; potential need and demand for crop insurance; the supply of crop insurance products; main constraints and challenges for delivery of crop insurance; Government policies, strategies and areas needed for support regarding development of agricultural (crop) insurance; legal and regulatory framework for crop insurance, including index insurance; donors' and development partners' main initiatives (current or prospective); requirements and interest of the Financial Institutions to finance smallholder farmers in ASAL areas; other risk management and mitigation tools and activities already implemented or under study, as an alternative to or in complementarity with crop insurance;
- 2) recommendations on which product(s)/scheme(s) would be most suitable, sustainable and scalable for smallholder farmers in the ASAL areas and other stakeholders involved (like financial institutions and other value chain actors);
- 3) An action plan including reference budget, timeline for the development of the crop insurance product(s) under KCEP-CRAL;
- 4) A log-frame comprising indicators for monitoring and evaluation of the agricultural (crop) insurance programme, assumptions and risk analysis.

#### 5.0 EVALUATION CRITERIA

In order to be shortlisted, the interested consultant must satisfy the following minimum criteria:

- (a) Have undertaken at least two feasibility study assignments for agricultural crop insurance for smallholder farmers.

- (b) Demonstrate at least 5 years of experience in agriculture crop insurance with focus on small scale farmers as researcher and / or practitioner and agricultural expert.
- (c) In addition to the firm's experience, provide a list of proposed professional staff and disciplines expected to take part in the feasibility study.
- (d) Demonstrate that the lead consultant has international exposure, at least in areas where small scale farmers' adoption of index-based crop insurance products is well advanced.
- (e) Meet minimum professional expertise in Finance (masters' degree in Finance, Economics, Agricultural Economics, or related fields from a recognized university, and Post graduate professional training at either Advanced Diploma of Chartered Insurance Institute or Associate Chartered Insurance Institute (ACII), and/or Fellow of the Chartered Insurance Institute (FII)) and Agriculture (masters' degree in Agronomy, Extension, Rural/ Sustainable Development, Agricultural Economics or related fields from a recognized university)

Consultants may associate with other firms in the form of a joint venture or a sub consultancy to enhance their qualifications.

A consultant will be selected in accordance with the quality and cost based (QCBS) selection method set out in the PPAD ACT 2015.

Further information can be obtained at the address below during office hours 0900-1700 hours (EAT), Procurement Office, KCEP-CRAL, NARL KABETE grounds, along Waiyaki Way, Westlands .Email: [tenders.kcepccralprogramme@gmail.com](mailto:tenders.kcepccralprogramme@gmail.com)

#### 6.0 DOCUMENTS TO BE SUBMITTED

- (a) Documents detailing that the party (ies) fulfils the minimum requirements in part 5 above
- (b) Certificate of incorporation (and any certificate of change of name), certified by an authorized representative of the bidder
- (c) Audited Financial Statements for the last 3 years
- (d) Tax registration and Valid Tax compliance certificates.
- (e) List of consultancy services on agricultural insurance and crop insurance, Feasibility studies and design carried out in the last 10 years. Including a brief description of the study (scale and scope) and the status of the projects.
- (f) Where the Applicant is a consortium, a list of the proposed members of the consortium and the proposed Leader of the consortium and the roles of each member.

#### 7.0 CLARIFICATIONS

The interested parties may request for clarifications on this Expression of interest up to five (5) days before the EOI submission date. Any request for clarification must be sent in writing by paper, mail or electronic mail to:

Senior Programme Coordinator  
KCEP-CRAL Programme  
P.O.BOX 30028-00100  
NARL KABETE Grounds.  
Email: [tenders.kcepccralprogramme@gmail.com](mailto:tenders.kcepccralprogramme@gmail.com)

#### 8.0 SUBMISSION OF THE EOI

The EOI (1 Original and 2 copies should be submitted in English language, and Must be received in a plain sealed envelope by 11.00am on 15<sup>th</sup> September 2017 clearly marked:

**"CONFIDENTIAL - FEASIBILITY STUDY FOR AGRICULTURAL (CROP) INSURANCE IN THE ASALS MOALF /SDA/ KCEP-CRAL-EOI-01-2017 DO NOT OPEN BEFORE, 15<sup>th</sup> September 2017 AT 11.00AM (EAT) and addressed to:**

The Principal Secretary,  
State Department of Agriculture, Ministry of Agriculture, Livestock and Fisheries  
PO Box 30028-00100,  
Kilimo House, Cathedral road, Nairobi  
Tel: 0770174188

The EOI document must be dropped in the tender box located at Ministry of Agriculture and Fisheries, Kilimo House, Ground floor at the reception.

Tenders will be opened immediately thereafter at **11.30am (EAT)** in the presence of bidders' representative who choose to attend at boardroom on 7<sup>th</sup> floor, Kilimo House.

**PRINCIPAL SECRETARY  
STATE DEPARTMENT OF AGRICULTURE**