TERMS OF REFERENCE FOR PROVISION OF THIRD-PARTY INTEGRITY DUE DILIGENCE (IDD) SERVICES FOR KAKUMA-KALOBYEYE CHALLENGE FUND

1. The Africa Enterprise Challenge Fund

The AECF is a development institution which supports businesses to innovate, create jobs, leverage investments and markets to create resilience and sustainable incomes in rural and marginalized communities in Africa. Launched in 2008, AECF has invested in 292 businesses across more than 40 value chains and 26 countries in sub-Saharan Africa. In just over a decade, we have impacted more than 27.7 million lives, created close to 24,000 jobs, and leveraged over US $740 million in matching funds.

To deliver on our strategy, we focus specifically on agribusiness, renewable energy and climate technologies, while also addressing the cross-cutting themes of gender, youth and fragile contexts.

2. About Kakuma-Kalobeyei Challenge Fund (KKCF)

KKCF is comprised of three components, the first of which is a Competitive Business Challenge Program being implemented jointly by AECF and the International Finance Corporation (IFC). It is a five-year Program designed to support private sector investment and unlock the economic potential of refugees and their hosts in Kakuma Kalobeyei refugee hosting area of Northern Kenya. KKCF aims to attract private companies and social enterprises and grow the local entrepreneurship potential to create jobs and improve service provision in the Kakuma area. KKCF addresses the whole range of the private sector from small companies to medium-size family businesses to social enterprises and large firms.

Objectives of KKCF

a) Attracting new private companies and social enterprises to the Kakuma and Kalobeyei refugee hosting area. This will in turn result in the creation of employment opportunities for refugees and the host community, create more consumption choices, and potentially reduce prices of commodities and consumables.

b) Provide opportunities to scale-up the operations of private sector companies and social enterprises already present in the Kakuma and Kalobeyei area.

c) Develop and grow refugee and host community owned businesses.

d) The Program will enable better economic integration and self-reliance of refugees and host communities in the Kakuma and Kalobeyei area.

Target Groups:

a) Social enterprises willing to start or expand their business operations in the area, especially those that address water, sanitation and education needs;


https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/AC_Home/Sanctionable_Practices/
b) For-profit private companies willing to start or expand their businesses and supply high quality products and services, through customized business models in Kakuma and Kalobeyei area and host communities. These companies include national, international as well as enterprises Local to Kakuma and Kalobeyei areas.

3. **About the Assignment**

We are keen to ensure that we do not engage with partners or fund businesses that expose AECF, IFC and all supporting partners to reputational risks as a result of their engagement in criminal misconduct, regulatory/civil proceedings, political influence, negative media coverage, sanctionable practices or individuals subject to incidents of Bribery, Ethics and Corruption.

3.1. **Purpose**

The purpose of this assignment is to support the Know Your Client (KYC) process for select beneficiaries of the fund. We anticipate that the fund will attract 20 medium and large national and international private sector companies and/or social enterprises and 100 local small and micro enterprises.

3.2. **Specific Deliverables of the assignment**

i. Conduct independent verification of identification documents. i.e. IPRS check from government database for individuals and Company Search for Companies.

ii. Conduct background checks on business owners, shareholders and directors of businesses pre contract and post contract on a periodic basis.

iii. Review and ascertain beneficial ownership of entities and ensure that the ultimate beneficiaries of the proceeds of the business are known.

iv. Review of beneficiary documentation and identification of ‘red-flags’ which need to be addressed from the perspectives of corruption, money laundering or other ethical aspects (engagement in criminal misconduct, subject to regulatory/civil proceedings, political influence, negative media coverage, sanctionable practices or individuals subject to incidents of Bribery, Ethics and Corruption.).

v. Liaise with the local institutions, NGOs, government agencies and refugee and host community forums/leaders in Kakuma and Kalobeyei to conduct background checks on refugees.

4. **Duration of Service**

The duration of service will be 1 year, commencing February 2020 with possibility of extension. 70% of the effort shall be required in the first 4 months.

5. **Proposal Submission**

Qualified consultants (individual or institutional consultants) are invited to submit the proposal that includes the following:

a) Qualification and experience of the individual/institution.

---


b) Approach and methodology to undertake this assignment.
c) Previous experience in similar assignment(s).
d) Detailed financial budget (in USD) and work plan/staff resources.
e) Technical and Financial proposals will need to be submitted as separate documents.

6. Qualification and Experience
   a) At least 10 years working experience in the field.
b) Proven capability in undertaking similar type of assignments. This shall be supported by at least two (2) relevant reference letters from the clients that were provided with a similar service;
c) Experience in working with/serving Financial Services and/ Development Finance Institutions (DFIs);
d) Experience in Fragile and Conflict Situations, in particular with refugee setup, will be an added advantage.
e) Knowledge of Turkana and environs is highly desirable.
f) Experience in dealing with UNHCR, Kenya government agencies and other relevant bodies in similar assignments.

The consultant will be accountable to the AECF Director of Operations.

7. Pricing
   The AECF is obliged by the Kenyan tax authorities to withhold taxes on service contract fees as well as ensure VAT, is charged where applicable. Applicants are advised to ensure that they have a clear understanding of their tax position with regards to provisions of Kenya tax legislation when developing their proposals.

8. Evaluation Criteria
   An evaluation committee will be formed by the AECF and shall include employees. All members will be bound by the same standards of confidentiality. The consultant should ensure that they fully respond to all criteria to be comprehensively evaluated.

   The AECF may request and receive clarification from any consultant when evaluating a proposal. The evaluation committee may invite some or all of the consultants to appear before the committee to clarify their proposals. In such event, the evaluation committee may consider such clarifications in evaluating proposals.

   In deciding the final selection of qualified bidder, the technical quality of the proposal will be given a weighting of 70% based on the evaluation criteria. Only the financial proposal of those bidders who qualify technically will be opened. The financial proposal will be allocated a weighting of 30% and the proposals will be ranked in terms of total points scored.

   The mandatory and desirable criteria against which proposals will be evaluated are identified in the table below.

---

https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/AC_Home/Sanctionable_Practices/

<table>
<thead>
<tr>
<th>NO.</th>
<th>CRITERIA FOR ASSESSMENT</th>
<th>Weighted Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>TECHNICAL PROPOSAL</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>An understanding of the terms of reference</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Demonstrate understanding of the assignment and expected outcomes.</td>
<td>5</td>
</tr>
<tr>
<td>1.2</td>
<td>Demonstrate an in-depth understanding of Integrity Due Diligence, Bribery and Anti-corruption laws, Money laundering regulations and IFC's Sanctionable Practices.</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Methodology and work-plan that will deliver the best value on the assignment</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Demonstrate the capacity to deliver the task in a timely and efficient manner.</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Demonstrate access to relevant sources on the ground (local/regional databases and human intelligence) that are credible, reliable and independent.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demonstrate best and most practical approach to the assignment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide a workplan on the key deliverables.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Qualification and Experience</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>The Team - Demonstrate team capabilities and past relevant experience in tackling the assignment.</td>
<td>10</td>
</tr>
<tr>
<td>3.2</td>
<td>Demonstrate relevant experience in conducting similar engagements.</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Provide evidence of similar previous experience including reference list indicating the scope and magnitude of similar assignments; specification of reporting capabilities; provide sample of the kind of reports they provide. Registration and other relevant statutory documents (applies to institutional consultants).</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>FINANCIAL PROPOSAL: Clarity, relevance, reality to market value/value for money of cost for the assignment (inclusive of any applicable tax, reimbursables and travel).</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Total Score</td>
<td>100</td>
</tr>
</tbody>
</table>

9. Disclaimer
AECF reserves the right to determine the structure of the process, number of short-listed participants, the right to withdraw from the proposal process, the right to change this timetable at any time without notice and reserves the right to withdraw this tender at any time, without prior notice and without liability to compensate and/or reimburse any party.

10. Application
To be considered, your proposal reference “PROVISION OF THIRD IDD SERVICES FOR KKCF” must be addressed to procurement@aecafrica.org and received by Friday, 4th December 2020 5:00 PM EAT.

---


https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/AC_Home/Sanctionable_Practices/