

PROSPECTS Kenya: Innovation Challenge on Decent Digital Jobs for Refugees and Host Communities in Kenya

Terms of Reference

Country: Kenya (with Garissa and Turkana as priority counties)

Duration of assignment: 12 months

Level of effort:

The ILO is seeking to recruit an implementing partner to support the ILO PROSPECTS project in Kenya. The implementing partner will develop and implement an Innovation Challenge with the goal to identify and support innovation solutions for business development services in Turkana and Garissa county. The implementing partner will also provide coaching and mentoring services to the winning organisations of the Innovation Challenge.

Eligibility: Applications from the following organisations will be accepted: (i) a constituent of the ILO and/or an affiliated member of such a constituent, including governmental, employers' and workers' organizations and/or (ii) an organization carrying out non-profit oriented work, including: non-governmental organizations (NGOs), foundations, research institutions, statistical institutions, educational institutions.

Application: Interested organisations should submit their expression of interest to E- mail: nboprocurement@ilo.org quoting "**Innovation Challenge on Decent Digital Jobs for Refugees and Host Communities in Kenya**" Consortiums of two or more organizations are encouraged. The application should include:

- Technical proposal outlining key considerations for organizing an Innovation Challenge based on these TORs and proposing a timeline. The technical proposal should follow the **template provided by the ILO**.
- Proof of having conducted similar activities (recommendations from previous clients, sample documents, reports).
- Financial proposal, following the **template provided by the ILO**. Financial proposals that can demonstrate additional resource mobilization and cost-sharing will have an advantage. Financial proposal need to incorporate the awards passed on to winners of the Innovation Challenge as described in Section 2 of these TORs.
- CVs of key personnel who would be working on this assignment
- Cover letter (max. 2page) outlining relevant experience with similar assignments

The application deadline is 23:59 PM 7th May 2023 EAT (GMT+3)

1. Context

1.1 Technical context

Kenya's young population continues to face socio-economic pressures as economic growth has not led to the creation of a sufficient number of (decent) jobs. Almost one in five (19.7 per cent) young people in Kenya were Neither in Employment, Education or Training (NEET, SDG Indicator 8.6.1) as of 2019, with young women much more likely to be part of that group (24.3 per cent) than young men (15.0 per cent). At the same time, the world is witnessing the highest levels of displacement on record. In recent years, forced displacement has increased in scale and complexity. While forcibly displaced persons face specific vulnerabilities, including psychological trauma, lack of opportunity and protection risks, host communities struggle to pursue their own development efforts in an environment that has been transformed by a large influx of newcomers.

Digitalization is rapidly changing the character of work around the world. Technological advances are creating new jobs and opportunities while making others obsolete. New skills are required as old ones expire. In Kenya, the digital economy has emerged as a key driver for the creation of decent jobs especially for young people. The country has adopted the Digital Economy Blue Print of 2019 providing a framework to leverage digital government, digital business, infrastructure, innovation-driven entrepreneurship and digital skills and values. This also presents opportunities for refugees and host community members to access jobs in the digital labour market. Fully harnessing these opportunities requires to improve access to quality education and skills development as well as stimulating labour demand and access to digital labour markets within and beyond refugee camps. For young refugees to benefit from the transformative power of information and communication technologies (ICTs), they must be equipped with a range of digital skills and have affordable access to connectivity.

The current digital transformation has far-reaching implications for forcibly displaced persons and many other migrants who are in search of employment and come under pressure to secure a livelihood for themselves and their families. Without coordinated action, a digitized and increasingly cashless future of work poses existential threats to the displaced and uprooted, whose livelihood often depends on informal jobs, who are frequently excluded from access to bank accounts or electronic payment mechanisms, and who must often accept exploitative working conditions in exchange for any kind of income. To harness the positive potential of this digital transformation for the future of work and reduce its harmful impact, global action and planning must give more attention to populations that are economically and politically marginalized, such as refugees.

Technology has always been a driver of productivity and efficiency in enterprises. In the current context, with the COVID-19 pandemic, it has become even more essential for businesses to invest in digital solutions to remain competitive. Digital solutions have the potential to help businesses in a number of ways, from automating processes, marketing and improving communication and collaboration, to delivering skills and training. Digital Solutions also have the potential to help businesses reach new markets and customers, and to grow their productivity. With increased access to digital tools within the context from different players, there has been a gap in skills development and innovation making most refugee led digital businesses not to thrive.

According to UNHCR Kenya is hosting a total of 561,836 refugees and asylum seekers (August 2022). Most originate from Somalia (53%) with other major nationalities being South Sudanese (25%), Congolese (10%), and Ethiopians (5.6%). The vast majority of refugees either resided in the Dadaab refugee complex (42 per cent) or in Kakuma camp and Kalobeyei settlement (43 per cent), while 15 per cent reside in urban areas (mainly Nairobi).

1.2 Operational context of the assignment

In response to the challenges facing both host communities and refugees, a new partnership initiative titled: PROSPECTS Partnership for improving Prospects for host communities and forcibly displaced persons', has been launched by the Government of the Netherlands that brings together the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF) and the World Bank.

The overall outcome of the PROSPECTS project in Kenya is "improved sustainable living conditions for women, men, girls, and boys in refugees and host communities in Kenya". This is to be achieved through "increased number of refugees and host community people with enhanced livelihoods and/or employment in safe/decent work". The employment pillar will trigger the availability of employment services to support transition to work, as well as the labour market demand that is needed to let refugees and host communities' transition to various forms of employment, and finally, mechanisms to promote enhanced quality of work. Barriers to business start-ups and scale-ups will be identified and addressed to unlock the entrepreneurial potential that exists in the targeted areas. Young refugees and host communities will be supported in accessing employment opportunities in the digital economy through enhancing and digitising local employment services, provision of vocational and career guidance in schools, capacity development of employment implementing partners as well as offering youth to youth coaching services.

In efforts to create an inclusive digital economy for youth in displaced and refugee context in Kenya, the International Labor Organization (ILO) is partnering with different stakeholders to support local digital entrepreneurs in scaling up their startups ideas to actualization and sustainability through incubation, skills development and funding. The youth in Dadaab and Kakuma over time have faced the risk of being excluded from developmental opportunities due to lack of skills and resources that puts them in a competitive edge within the digital economy. Digital innovation solutions within the refugee ecosystem have the potential for scaling while providing new skills and opportunities in the digital economy through engagement in the supply and demands of the global trade.

2. Concept of the Innovation Challenge on Decent Digital Jobs for Refugees and Host Communities in Kenya

The ILO has conducted various types of Innovation Challenges (IC), including in the area of boosting decent jobs for young people in the digital economy. IC have been delivered with different thematic priority areas and targets groups (for instance see [here a recent example](#) of an Innovation Challenge focusing on digital skills training providers in South Africa). Building on the below, the implementing partner is expected to further develop the concept of this Innovation Challenge in Kenya in close collaboration with the ILO.

1. Overall Goal of the Innovation Challenge

The overall goal of the Innovation Challenge is to strengthen the digital economy ecosystem in Turkana and Garissa counties and support the growth of SMEs in the digital economy with a view of providing decent jobs opportunities to refugees and host communities.

2. Objective of the Innovation Challenge

The primary objective of the IC is to identify and support business development implementing partners and training institutions that contribute to the development and growth of SMEs in the digital economy for refugees and host communities. These organizations should have innovative ideas and models that can contribute to expanding the digital economy ecosystem, improving access to digital markets, and promoting digital literacy and skills development for young people.

3. Target Audience

The target audience for the IC includes business development implementing partners and training institutions that aim to support the growth of the digital economy ecosystem, for instance – but not limited to – organizations such as ICT hubs, business incubators, and NGOs focused on training for digital skills and growing digital businesses, and organizations providing digital employment services.

Eligible applicants must demonstrate their commitment and track record in improving the digital economy for **refugees and host communities in Kenya** and have a focus on nurturing digital businesses and job creation.

Applicants can be any legally recognized **non-profit organization** with contractual and registered capacity that has been in existence for at least three calendar years prior to the call deadline and that is registered in Kenya. This may include government agencies, employers' and workers' organizations, cooperatives, education and training and business development service institutions (incl. incubators), NGOs and civil society organizations and other research and educational institutions.

4. Types of Ideas and Examples of Solutions

The IC welcomes applications from organizations with innovative solutions that can strengthen the digital economy ecosystem. Proposed solutions should aim to address challenges faced by digital entrepreneurs and businesses in the target areas. Examples of solutions may include:

- Designing and piloting new business support programs that facilitate access to digital markets (such as e-commerce) and financial services for entrepreneurs in the digital economy.
- Developing innovative training programs that enhance digital skills and promote digital literacy among refugees and host communities.
- Scaling up successful organizations that have demonstrated a positive impact on the digital economy ecosystem, such as ICT hubs or business incubators.
- Innovations that address digital infrastructural gaps e.g., connectivity, access to devices, working spaces.
- Implementing digital employment services that connect job seekers with employment opportunities in the digital economy and enhance transitions to digital job opportunities.

5. Innovation Challenge Stages

The IC will comprise several stages:

- a. **Pre-launch preparatory activities**
- b. **Advertisement:** Launching the call for applications and promoting the challenge.
- c. **Applications:** Submission of initial proposals by applicants.
- d. **Screening, evaluation and selection:** Evaluation of submitted proposals by a panel of experts and selection of winning solutions.
- e. **Announcement of winners and event:** Publicizing the winners and organizing a celebratory event.

In collaboration with the implementing partner, the ILO may decide to offer several tracks to apply (for instance an “innovator track” for small-scale or recently founded organizations and a “mature track” for scaling-up the work of well-established support organizations) and/or several categories to award prizes.

6. Awards and Support for Winners

The will awards grant to 5 to 10 organisations, with a total amount of **USD 200,000**. The exact distribution of grants will be determined at a later stage by the ILO in consultation with the implementing partner. The implementing partner will be responsible for providing the grants to the winners of the Innovation Challenge.

7. Post-Innovation Challenge Technical Support

Following the announcement of the winners, a (temporary) Innovation Lab will be established by the selected implementing partner to offer intensive technical support services to the winning organizations in 6 to 8 months following the award of the financial prizes.

The Innovation Lab will act as a hub for fostering collaboration, knowledge sharing, and capacity building, helping the winners to scale their initiatives and enhance their impact on the digital economy ecosystem in the target areas.

The services of the Innovation Lab are provided by industry experts in the digital economy. Implementing partners will demonstrate how the technical support services provided to winners of the Innovation Challenge will be tailored to the specific needs, for instance by relying on a network of experts.

Examples of post-Innovation Challenge services that might be provided include:

1. **Capacity Building and Training:** offer capacity building and training programs to enhance the winners' technical skills. This may include workshops, webinars, and mentorship programs focused on areas such as project management, financial management, monitoring and evaluation, and digital marketing. Capacity building will focus on increasing the value offer of the selected winners and will require expertise of opportunities in Kenya's digital economy and the applicability to the context of refugees and host communities in Turkana and Garissa county.
2. **Access to Expertise and Mentors:** connect the winning organizations with subject matter experts and experienced mentors from the digital economy ecosystem. These experts will provide guidance, share insights, and offer advice on the strategic direction, business development, and operational challenges faced by the organizations.
3. **Networking and Partnerships:** facilitate networking opportunities among the winning organizations, allowing them to share experiences, learn from each other, and collaborate on projects. Additionally, the Lab will help the winners establish strategic partnerships with relevant stakeholders with both the digital economy and refugee support community in Kenya.
4. **Financial Management Support:** The Innovation Lab will provide guidance on financial management, including budgeting, financial reporting, and financial sustainability planning. This support will help the winning organizations to effectively manage their financial resources and ensure the long-term sustainability of their interventions.
5. **Marketing and Visibility:** help the winning organizations to develop and implement marketing strategies that effectively communicate the value of their initiatives to potential users, partners, and other stakeholders. This may include support in branding, public relations, and social media management.

Through targeted post IC services, winning organizations will be empowered to effectively scale their initiatives, ultimately contributing to the growth of the digital economy ecosystem and the creation of decent job opportunities for young people in refugee and host communities.

8. Stakeholder Engagement

The success of the IC depends on the active involvement of key stakeholders at the national, county, and community levels. A stakeholder engagement strategy will be developed to ensure the effective participation of relevant organizations and individuals throughout the challenge, from the initial launch to the post-IC support phase.

3. Objective of the Assignment

The objective of the assignment is for the implementing partner to assist the ILO in (i) finalise the design of the Innovation Challenge (based on the concept provided in Section 2), (ii) implementing the IC and (iii) providing technical support to winners of the Innovation Challenge.

4. Scope of the Assignment

Where applicable in the description of the scope of the assignment the distribution of responsibilities between the ILO and the implementing partner is indicated.

This assignment includes the following tasks:

I. Inception: Finalise the Innovation Challenge Concept and detailed workplan (Timeline: 2 weeks after signature of the contract)

This task implies:

- Clarify with the ILO expectations on the Innovation Challenge
- Work closely with the ILO to revise and finalise the concept note on the Innovation Challenge based on the indications shared in Section 2 and the applicants proposal
- Devise a detailed workplan for the implementation of the IC and the follow-up support to winners

II. Implementation of the Innovation Challenge (Timeline: 4 months)

The implementation of the IC will depend on the finalised concept and workplan. It will entail the following tasks:

(1) Conducting pre-launch preparatory activities (6 weeks):

- **Establish partnerships with key actors:** The implementing partner will work with the ILO to establish partnerships with key actors, including development partners, financial and business development implementing partners, key sectoral associations, and government representatives. The role of partners might be to support with logistics for the IC, provide trainings to Innovators (as part of the post IC services), promote the IC, contribute prizes, and act as judges across the different categories. While the ILO has a list of potential partners, it is expected that the implementing partner is also able to mobilize partner networks effectively.
- **Develop a communication strategy and communication materials:** (incl. presentation, flyer, social media material)
- **Develop and adapt relevant application materials:** examples from previous ILO ICs will be made available to the implementing partner by the ILO. Materials to be finalised include:
 - 1) **Participant guidelines:** the call for applications which is a public document, building on the finalised concept of the Innovation Challenge, describing in detail the terms and conditions under which organisations can apply
 - 2) **Application form** (to be hosted online)
 - 3) **Development of scoring and evaluation criteria (incl. description) and scoring sheets** (to be used by panel of experts in evaluation the proposals). The selection criteria should prioritize job creation and job quality improvements, productivity gains, and innovative solutions.

(2) Advertisement (6 weeks):

- In close collaboration with the ILO, the implementing partner will launch the challenge and circulate the call for application widely within its networks.
- The application process should be simple and accessible to refugees and members of host communities. Applicants should be able to enter their submissions through a variety of channels that may include applying in-person, by phone, through an email account set up by the project, or through a partner organization.
- The implementing partner will also host at least (2) webinars in which interested organisation are presented to the IC concept and can ask questions.
- The implementing partner will track applications and follow-up with partners to remind their networks of the application deadline.

(3) Screening, evaluation and selection (4 weeks):

- Conduct an initial screen of received applications based on formal application criteria (due diligence)
- The implementing partner may conduct a first-round technical screening (depending on number of applications received) to narrow down the pool of applications
- Confirm the composition of the evaluation panel in close collaboration with ILO
- Coordinate the scoring and selection process, incl. scheduling and organising (virtual) interviews with finalists
- The ILO, in consultation with the implementing partner, will determine the mechanism through which final decisions on the IC winners will be made.

(4) Announcement of winners and event (1 day):

- Develop a programme for a 1-day face to face event to announce winners and showcase the selected solutions and organisations
- Develop communication products related to the award ceremony
- Support the delivery of the event

The ILO will be leading the invitation process of partners to be invited to the event and will take charge of all costs related to the venue and to transportation of participants – if any – from outside Nairobi.

III. Post Innovation Challenge Support Services (8 months)

The implementing partner will be responsible for the technical support as winners are improving and scaling-up their services, including by capitalising on the financial awards provided.

Tasks of the implementing partner include:

(1) Administrating the grants for winning organizations of the Innovation Challenge:

- The implementing partner will be responsible for providing the grants to the winners of the Innovation Challenge.
- They will award grant to 5 to 10 organisations, with a total amount of **USD 200,000**. The exact distribution of grants will be determined at a later stage by the ILO in consultation with the implementing partner.
- Each of the grants will be provided to one of the winners of the Innovation Challenge and will support the Innovation Challenge winner in implementing the innovative solutions which they applied;
- Before transferring the grant to the IC winners, the implementing partner will conduct a due diligence process and develop a grant agreement contract between the implementing partner and the grantees

(2) Establishing an Innovation Lab for Post-Innovation Challenge support services (see section 2) and based on the proposal of the selected implementing partner. Support services need to be tailored to the needs of the 5-10 winning organisations of the Innovation Challenge.

(3) Document results and lessons learned: This will include conducting monitoring and evaluation, collecting information on business growth and impact in terms of jobs created and/or improved as a result of the interventions and collect lessons learned and success stories, in close collaboration with the ILO

4. Deliverables & timeline

The main deliverables of this engagement are as below:

The payment terms also provide interested implementing partners with an indication of the relative importance – in terms of time and resources – of the different stages of the Innovation Challenge, including post Innovation Challenge services.

Deviations from these deliverables can occur according to the evolution of the assignment; however, any changes observed or anticipated should be consulted with the focal person at the ILO.

#	Timeline	Deliverables	Payment terms (See also Section 5)
1	2 weeks	Inception report: A detailed innovation challenge concept, including a detailed workplan. Feedback from the ILO is incorporated (related to Task I.)	10%
2	6 weeks	Innovation Challenge is launched following the finalisation of preparatory materials: A communication strategy and communication materials are available. All application materials are developed and finalised, incl. incorporation from feedback of the ILO. Partnerships to maximise the impact of the Innovation Challenge are established (related to Task II.1)	15%
3	6 weeks	Innovation Challenge application: following the launch and advertisement of the Innovation Challenge, application from at least 30 <u>eligible</u> organisations from Turkana and Garissa County are received (related to Task II.2 and II.3)	
4	4 weeks	Winners selected and announced: 5 to 10 winners of the Innovation Challenge are announced (related to Task II.4) and the due diligence process for the winners are completed (related to Task III.1)	50%
5	4 weeks (in parallel to Dev. 6)	Award grants are transferred to winners of the Innovation Challenge	15%
6	4 months	Post-Innovation Challenge Support Services: Innovation Challenge winners receive initial technical support services which are documented. Initial results are documented. A report regarding the utilisation of award grants by winners of the Innovation Challenge is provided.	
7	4 months	Post-Innovation Challenge Support Services: Innovation Challenge winners receive further technical support services which are documented. Learnings of winners are documented in a progress report that also highlights areas for future work. An updated report regarding the utilisation of award grants by winners of the Innovation Challenge is provided.	10%

5. Payment and Reporting Terms

The ILO will only pay for deliverables that are successfully completed to the satisfaction of the ILO. The payments will be made according to the following schedule:

- The first payment of 10 per cent of the contract volume will be made upon signing of the contract and receipt of deliverable 1 to the satisfaction of the ILO and presentation of the invoice.
- The second payment of 15 per cent of the contract volume will be made upon receipt of deliverables 2 and 3 to the satisfaction of the ILO and presentation of the invoice.
- The third payment of 50 per cent of the contract volume will be made upon receipt of deliverable 4 to the satisfaction of the ILO and presentation of the invoice.
- The fourth payment of 15 per cent of the contract volume will be made upon receipt of deliverables 5 and 6 to the satisfaction of the ILO and presentation of the invoice.
- The fifth and final payment of 10 per cent of the contract volume will be made upon receipt of deliverable 7 to the satisfaction of the ILO and presentation of the invoice.

6. Roles and Reporting

ILO will require from time to time based on agreed timelines comprehensive reports to highlighting work done. Reports will be reviewed to ensure conformance with ILO operations before acceptance.

The implementing partner will operate under the overall supervision of The ILO Chief Technical Advisor. The ILO Kenya PROSPECTS team will offer technical support and will coordinate closely with the Regional Skills and Employment Specialist of PROSPECTS program, Skills Digitalization specialist at HQ, the Youth Employment Officer at the Regional Office for Africa and the Decent Work Skills specialist at Pretoria to facilitate mainstreaming and standardization of the approach across the project.

When submitting invoices for payments the implementing partners will also submit to the ILO:

- A **technical progress report** (to be continuously updated)
- A **financial report** detailing the expenditures of the implementing partner in the reporting period.

7. Specific Clauses

Throughout the course of this assignment, the implementing partner will report on a weekly basis to the ILO for coordination and follow-up. All communication to other relevant stakeholders should be coordinated with the ILO. If it appears necessary to modify the tasks of work or exceed the time allocated, the implementing partner must discuss the circumstances with the ILO and obtain prior written approval. ILO may disclose the draft or final documents and/or any related information to any person and for any purpose the ILO may deem appropriate.

8. Required experience and qualifications

The Implementing partner (organisation):

- Is required to be legally registered to operate in Kenya with a good standing with all statutory laws and regulations. The implementing partner needs to demonstrate that it is meeting the eligibility requirements: (i) a constituent of the ILO and/or an affiliated member of such a constituent, including governmental, employers' and workers' organizations and/or (ii) an organization carrying out non-profit oriented work, including: non-governmental organizations (NGOs), foundations, research institutions, statistical institutions, educational institutions.
- Should have at least 6 years of experience of providing business development services to small and medium-enterprises in the digital economy in Kenya
- Should have prior experience in supporting innovation and tech-hubs as well as conducting innovation challenges
- Should have a proven track record of accomplishment in creating and executing digital and innovative solutions that have proved to be sustainable in youth employment and decent earning within and without the displaced ecosystems such as Garissa and Turkana.

The technical teams proposed by the implementing partner:

- Should possess a sound knowledge of the current trends in the digital innovation space with a key interest in initiation, skills development management and scaling.
- Should have a proven track record of managing projects in the space of promoting youth employment through innovations for refugees and host communities
- Should have a wide network of digital entrepreneurs, companies, individuals and NGOs within the digital innovation space.
- Knowledge of the local context, culture and language is an added advantage however official language within the area is English & Swahili - Knowledge in any other local dialect is a plus
- Experience handling insecure and fast-changing environments with sound negotiation skills

9. Selection criteria

The selection of the implementing partner will follow a technical and a financial assessment. Only organisations passing the technical evaluation (at least 70 per cent of the technical scoring) will proceed to the financial assessment. For the final selection the technical assessment will count 70 per cent and the financial assessment will count 30 per cent.

Regarding the technical selection, all organisations eligible to apply will be evaluated in the following categories:

- Proposed methodology (technical proposal) – 50%
- Experiences and qualifications of the applying organisation – 25%
- Experiences and qualifications of the team proposed to be in charge of the assignment – 25%