Implementing Partner to facilitate a Business Accelerator Programme in Garissa County

Terms of Reference

PROSPECTS Kenya
Enterprises Department

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Background

The Partnership for Improving Prospects for Forcibly Displaced Persons and Host Communities (PROSPECTS) brings together the Government of the Netherlands and the International Finance Corporation (IFC), the International Labor Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF) and the World Bank (WB) and aims to foster economic inclusion and improve access to education and protection of forcibly displaced populations and host communities. As part of this Partnership, the ILO aims to promote market-based approaches and provide support to Micro, Small and Medium Enterprises (MSMEs) and entrepreneurs.

As part of its interventions under the framework of PROSPECTS, the ILO is organising a Business Accelerator Programme (BAP) in Garissa County. A BAP can identify, strengthen enterprises and organizations by facilitating access to financial and non-financial business development services, provide business mentoring support to entrepreneurs and MSMEs in the hard-hit agricultural and drought affected livestock sectors and stimulate growth and innovation in other sectors important to the livelihoods of refugees and host communities.

BAPs are avenues to provide financial and non-financial support to entrepreneurs who may not otherwise have access to these services due to low capital base, limited knowledge of business management, not being able to meet the KYC requirements of Financial Service Providers (FSPs), being perceived by the FSPs as high-risk clients and lack of collateral for credit facilities. In the aftermath of COVID-19 and the context of continuing drought, BAPs can help to identify and respond to the entrepreneurial needs of refugees and members of host communities, and perhaps to link business financing opportunities to MSMEs that may not be ready or able to access loans in the immediate aftermath of the crisis. Financial inclusion is a big part of a BAP, as it can be facilitated by offering Financial Service Providers (FSPs) the opportunity to engage with, get to know better and serve, entrepreneurs and innovators in a less financially risky set up. This can ease the acute financial needs for investments and operational costs payment and unleash the innovation potential while tackling the risk aversion, from the entrepreneur as well as the FSP side, when time comes for loans. The entrepreneurs supported can then grow their businesses provide goods or services to their communities and contribute to job creation.

Furthermore, BAPs that include both refugees and members of host communities can create opportunities for positive contact through mutually beneficial events, development of joint business ventures, and mixed financial inclusion groups such as VSLAs, trainings and workshops. These positive interactions have the potential to contribute to enhanced social cohesion.

The ILO is looking for an implementing partner to support the organization of a BAP in Garissa County that would be open to both refugees and members of host communities.

Objectives

In close coordination with the ILO and guided by a steering committee of key stakeholders, the implementing partner will roll-out a BAP in Garissa County. While the BAP will have a focus on the livestock and horticulture value chains, as these are the ILO's key value chains of focus in Garissa County, participation will also be open to SMEs that operate in different sectors where they have develop and operate innovative businesses.

The objectives of the BAP are to:

1. **Identify and support business ideas and existing enterprises with potential to generate growth, employment and business solutions to social and economic challenges in Garissa County**: The BAP will aim to identify SMEs and cooperatives that have innovative ideas that could be scaled. While the categories will be defined in coordination with ILO, the implementing partner, and a steering committee, they should feature specific awards for women-owned businesses, joint cooperatives with members of host and refugee communities, youth, and digital solutions. Ideally, the supported enterprises should be able to absorb at least between USD 1,000 – 5,000, depending on their business category. There will be however room to adjust the value, depending on the businesses' needs.

2. **Build the capacity of potential and existing entrepreneurs through the provision of business development services in preparation for the BAP and after the BAP**: In addition to cash prizes, the BAP will also be an avenue to extend business development services to participants. In the lead-up to the BAP, interested participants will have the option of accessing the ILO's training tools on entrepreneurship, business management, financial education, and cooperative development to help them prepare to pitch their businesses for investment. Participants will also receive additional, tailored support in the form of trainings, coaching and mentoring for a period of 4-6 months based on their needs to ensure that their businesses grow and are able to withstand the challenges of that growth. The MSME progress will be monitored to measure impact on business growth and job creation as part of M&E activities.
Scope of the assignment

The work of the implementing partner will include the following:

3. **Co-design the concept for a BAP with the ILO:** The implementing partner will work closely with the ILO and a steering committee to consolidate a concept and work plan for the BAP and ensure that it is context-specific. The ILO has initial drafts of a concept and work plan, and the implementing partner will review this draft, propose changes if needed, and use the work plan as a joint working document throughout the implementation of the BPC. In the design of the BAP, the implementing partner should ensure that the focus remains on both refugees and host communities.

4. **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 service providers, key sectoral associations, and government representatives. The role of partner will be to support with logistics for the BAP, provide trainings to entrepreneurs, promote the BAP, manage the BAP funds, provide additional resources to ensure continuity of the project and assess interested businesses 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.

5. **Co-develop selection criteria and judging criteria:** The implementing partner will support in establishing selection criteria and judging criteria for the BAP, together with the ILO and the steering committee. The selection criteria should prioritize job creation and job quality improvements, productivity gains, potential for business growth and innovative solutions. At this stage, the support to be provided both financial and non-financial will be confirmed.

6. **Promote the BAP, establish application process and shortlist participants:** The implementing partner will launch communications and sensitization around the BAP to allow ample time for participants to apply. The Implementing partner will coordinate application processes from entrepreneurs, and then short-list participants based on the agreed-upon criteria. 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 organizations providing financial and non-financial services. Standard registration forms based on the SYB Business Plan Booklet or the GET Ahead Participant's Workbook will be developed to standardize the process and ensure that applications are in a format that entrepreneurs are familiar with.

7. **Collaborate with ILO to support entrepreneurs:** The implementing partner will coordinate the provision of support to entrepreneurs as they get ready to pitch their business ideas or ongoing businesses. This will include facilitating access to financial education and entrepreneurship and cooperative management trainings using the ILO’s trainer networks and tools, either through the Implementing Partner directly, or by establishing collaborations and contracts with service providers and trainers.

8. **Conduct due diligence:** The Implementing Partner will conduct due diligence to ensure viability of participating businesses in collaboration with the steering committee.

9. **Disburse funds:** The Implementing Partner will coordinate and oversee the disbursement of funds to participants of the BAP, as agreed upon with the steering committee and the ILO.

10. **Provide ongoing technical support and conduct M&E:** The Implementing Partner will continue to facilitate access to needed business development and financial services, including through the provision of coaching and other forms of post-training support. The Implementing Partner will also conduct 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.

Application process

Interested organizations are invited to submit an application to nboprocurement@ilo.org by 16th June, 2022. Consortiums of two or more organizations are encouraged. The application should include:

- Technical proposal (maximum 10 pages) outlining key considerations for organizing a BAP and proposing a timeline.
- Proof of having conducted similar activities (recommendations from previous client, sample documents, reports).
- Financial proposal of between USD 175,000 – 200,000, clearly delineating proposed target size, and operational costs.
- Financial proposals that can demonstrate additional resource mobilization and cost-sharing will have an advantage.
- CVs of key personnel who would be working on this assignment.
- Cover letter (max. 2 page) outlining relevant experience with similar assignments
- Demonstrate experience and capacity in working with both refugees and host communities.