



Request for Proposals (RfP)

Fund Manager for the Community Resilience Facility (CRF)

ESARO-KENYA-TWENDE PROJECT

RfP Reference: IUCN-24-03-2886

Welcome to this Procurement by IUCN. You are hereby invited to submit a Proposal. Please read the information and instructions carefully because non-compliance with the instructions may result in disqualification of your Proposal from this Procurement.

1. REQUIREMENTS

- 1.1. A detailed description of the services and/or goods to be provided can be found in Attachment 1.

2. CONTACT DETAILS

- 2.1. During the course of this procurement, i.e. from the publication of this RfP to the award of a contract, you may not discuss this procurement with any IUCN employee or representative other than the following contact. You must address all correspondence and questions to the contact, including your Proposal.

IUCN Contact: tenders.kenya@iucn.org

3. PROCUREMENT TIMETABLE

- 3.1. This timetable is indicative and may be changed by IUCN at any time. If IUCN decides that changes to any of the deadlines are necessary, we will publish this on our website and contact you directly if you have indicated your interest in this procurement (see Section 3.2).

DATE	ACTIVITY
July 17 th 2024	Publication of the Request for Proposals
July 22 nd 2024	Deadline for submission of questions
July 26 th 2024	Planned publication of responses to questions
August 14 th , 2024	Deadline for submission of Proposals to IUCN (“ Submission Deadline ”)
August 23 rd 2024	Planned date for contract award
August 26 th 2024	Expected contract start date

- 3.2. Please email the IUCN contact to express your interest in submitting a Proposal by the deadline stated above. This will help IUCN to keep you updated regarding the procurement.

4. COMPLETING AND SUBMITTING A PROPOSAL

- 4.1. Your Proposal must consist of the following four separate documents:

- Signed Declaration of Undertaking (see Attachment 2)
- Pre-Qualification Information (see Section 4.3 below)
- Technical Proposal (see Section 4.4 below)
- Financial Proposal (see Section 4.5 below)

Proposals must be prepared in English.

- 4.2. Your Proposal must be submitted by email to the IUCN Contact (see Section 2). The subject heading of the email shall be [RfP Reference – bidder name]. The bidder name is the name of the company/organisation on whose behalf you are submitting the Proposal, or your own surname if you are bidding as a self-employed consultant. Your Proposal must be submitted in PDF format. You may submit multiple emails suitably annotated, e.g. Email 1 of 3, if attached files are too large to suit a single email transmission. You may not submit your Proposal by uploading it to a file-sharing tool.

IMPORTANT: Submitted documents must be password-protected so that they cannot be opened and read before the submission deadline. Please use the same password for all submitted documents. After the deadline has passed and within 12 hours, please send the password to the IUCN Contact. This will ensure a secure bid submission and opening process. Please DO NOT email the password before the deadline for Proposal submission.

4.3. *Pre-Qualification Criteria*

IUCN will use the following Pre-Qualification Criteria to determine whether you have the capacity to provide the required goods and/or services to IUCN. Please provide the necessary information in a single, separate document.

Pre-Qualification Criteria	
1	Relevant references of clients similar to climate finance/Revolving Fund
2	Confirm that you have all the necessary legal registrations to perform the work
3	State your annual turnover for each of the past 3 years
4	How many employees does your organisation have who are qualified for this work?
5	Confirm that your organisation has geographical presence in all the 3 landscapes
6	Confirm that your organisation has tools and platforms in place, such as credit assessment tools, monitoring tools and systems for tracking fund disbursements and repayments.

4.4. *Technical Proposal*

The Technical Proposal must address each of the criteria stated below explicitly and separately, quoting the relevant criteria reference number (left-hand column).

Proposals in any other format will significantly increase the time it takes to evaluate, and such Proposals may therefore be rejected at IUCN’s discretion.

Where CVs are requested, these must be of the individuals who will actually carry out the work specified. The individuals you put forward may only be substituted with IUCN’s approval.

IUCN will evaluate Technical Proposals with regards to each of the following criteria and their relative importance:

	Criteria	Information to provide	Relative weight
1	Fund Management Approach	Technical infrastructure(systems, digital platforms, risk management plan, operations in target counties, Risk assessment and mitigation, proven track record in managing revolving funds, credit lending or climate finance	40
2.1	CRF Fund Operationalization	Description of the approach to managing the CRF: Proposed fund management fee(% of service charges on loans, Fund disbursements and follow-ups schedule, reporting schedule, fund monitoring schedule, fund popularization, co-financing)	30

3	Experience		
3.1	Previous Experience in managing revolving funds or climate finances. Experience with dealing with donor funds, especially climate change funds.	3 examples of similar projects in the last 2 years/names of institutions worked with on similar task Names and positions of relevant staff to be involved. Full registration and legally operating	30
TOTAL			100%

4.5. *Financial Proposal*

4.5.1. The Financial Proposal must contain a proposed percentage of service fee that will be charged for the loans by the fund manager. Please note this is not a flat fee for managing CFR, but a percentage of service fee for loan disbursed. The financial proposal will constitute 30% of the overall relative weight in addition to the technical proposal.

4.5.2. *Prices include all costs*

Submitted rates and prices are deemed to include all costs, insurances, taxes (except VAT, see below), fees, expenses, liabilities, obligations, risk and other things necessary for the performance of the Terms of Reference or Specification of Requirements. IUCN will not accept charges beyond those clearly stated in the Financial Proposal. This includes applicable withholding taxes and similar. It is your responsibility to determine whether such taxes apply to your organisation and to include them in your Financial Proposal.

4.5.3. *Applicable Goods and Services Taxes*

Proposal rates and prices shall be exclusive of Value Added Tax.

4.5.4. *Currency of proposed rates and prices*

All rates and prices submitted by Proposers shall be in Kenya Shillings (KES).

Breakdown of rates and prices

For information only, the price needs to be broken down as follows:

- Itemized administrative fees/ service fees for disbursement of funds.
- Itemized field expenses where applicable.

4.6. Additional information not requested by IUCN should not be included in your Proposal and will not be considered in the evaluation.

4.7. Your Proposal must remain valid and capable of acceptance by IUCN for a period of 90 calendar days following the submission deadline.

4.8. *Withdrawals and Changes*

You may freely withdraw or change your Proposal at any time prior to the submission deadline by written notice to the IUCN Contact. However, in order to reduce the risk of fraud, no changes or withdrawals will be accepted after the submission deadline.

5. **EVALUATION OF PROPOSALS**

5.1. *Completeness*

IUCN will firstly check your Proposal for completeness. Incomplete Proposals will not be considered further.

5.2. *Pre-Qualification Criteria*

Only Proposals that meet all of the pre-qualification criteria will be evaluated.

5.3. *Technical Evaluation*

5.3.1. *Scoring Method*

Your Proposal will be assigned a score from 0 to 10 for each of the technical evaluation criteria, such that '0' is low and '10' is high.

5.3.2. *Minimum Quality Thresholds*

Proposals that receive a score of '0' for any of the criteria will not be considered further.

5.3.3. *Technical Score*

Your score for each technical evaluation criterion will be multiplied with the respective relative weight (see Section 4.4) and these weighted scores added together to give your Proposal's overall technical score.

5.4. *Financial Evaluation and Financial Scores*

Your Financial Proposal will receive a score calculated by dividing the lowest Financial Proposal that has passed the minimum quality thresholds (see Section 5.3.2) by the total price of your Financial Proposal.

Thus, for example, if your Financial Proposal is for a total of CHF 100 and the lowest Financial Proposal is CHF 80, you will receive a financial score of $80/100 = 80\%$

5.5. *Total Score*

Your Proposal's total score will be calculated as the weighted sum of your technical score and your financial score.

The relative weights will be:

Technical:	70%
Financial:	30%

Thus, for example, if your technical score is 83% and your financial score is 77%, you will receive a total score of $83 * 70\% + 77 * 30\% = 58.1\% + 23.1\% = 81.2\%$.

Subject to the requirements in Sections 4 and 7, IUCN will award the contract to the bidder whose Proposal achieves the highest total score.

6. **EXPLANATION OF PROCUREMENT PROCEDURE**

6.1. IUCN is using the Open Procedure for this procurement. This means that the contracting opportunity is published on IUCN's website and open to all interested parties to take part, subject to the conditions in Section 7 below.

6.2. You are welcome to ask questions or seek clarification regarding this procurement. Please email the IUCN Contact (see Section 2), taking note of the deadline for submission of questions in Section 3.1.

6.3. All Proposals must be received by the submission deadline in Section 3.1 above. Late Proposals will not be considered. All Proposals received by the submission deadline will be evaluated by a team of three or more evaluators in accordance with the evaluation criteria stated in this RfP. No other criteria will be used to evaluate Proposals. The contract will be awarded to the bidder whose Proposal received the highest Total Score. IUCN does, however, reserve the right to cancel the procurement and not award a contract at all.

6.4. IUCN will contact the bidder with the highest-scoring Proposal to finalise the contract. We will contact unsuccessful bidders after the contract has been awarded and provide detailed feedback. The timetable in Section 3.1 gives an estimate of when we expect to have completed the contract award, but this date may change depending on how long the evaluation of Proposals takes.

7. **CONDITIONS FOR PARTICIPATION IN THIS PROCUREMENT**

7.1. To participate in this procurement, you are required to submit a Proposal, which fully complies with the instructions in this RfP and the Attachments.

7.1.1. It is your responsibility to ensure that you have submitted a complete and fully compliant Proposal.

- 7.1.2. Any incomplete or incorrectly completed Proposal submission may be deemed non-compliant, and as a result you may be unable to proceed further in the procurement process.
- 7.1.3. IUCN will query any obvious clerical errors in your Proposal and may, at IUCN's sole discretion, allow you to correct these, but only if doing so could not be perceived as giving you an unfair advantage.
- 7.2. In order to participate in this procurement, you must meet the following conditions:
- Free of conflicts of interest
 - Registered on the relevant professional or trade register of the country in which you are established (or resident, if self-employed)
 - In full compliance with your obligations relating to payment of social security contributions and of all applicable taxes
 - Not been convicted of failing to comply with environmental regulatory requirements or other legal requirements relating to sustainability and environmental protection
 - Not bankrupt or being wound up
 - Never been guilty of an offence concerning your professional conduct
 - Not involved in fraud, corruption, a criminal organisation, money laundering, terrorism, or any other illegal activity.
- 7.3. You must complete and sign the Declaration of Undertaking (see Attachment 2).
- 7.4. If you are participating in this procurement as a member of a joint venture, or are using sub-contractors, submit a separate Declaration of Undertaking for each member of the joint venture and sub-contractor, and be clear in your Proposal which parts of the goods/services are provided by each partner or sub-contractor.
- 7.5. Each bidder shall submit only one Proposal, either individually or as a partner in a joint venture. In case of joint venture, one company shall not be allowed to participate in two different joint ventures in the same procurement nor shall a company be allowed to submit a Proposal both on its behalf and as part of a joint venture for the same procurement. A bidder who submits or participates in more than one Proposal (other than as a subcontractor or in cases of alternatives that have been permitted or requested) shall cause all the Proposals with the bidder's participation to be disqualified.
- 7.6. By taking part in this procurement, you accept the conditions set out in this RfP, including the following:
- It is unacceptable to give or offer any gift or consideration to an employee or other representative of IUCN as a reward or inducement in relation to the awarding of a contract. Such action will give IUCN the right to exclude you from this and any future procurements, and to terminate any contract that may have been signed with you.
 - Any attempt to obtain information from an employee or other representative of IUCN concerning another bidder will result in disqualification.
 - Any price fixing or collusion with other bidders in relation to this procurement shall give IUCN the right to exclude you and any other involved bidder(s) from this and any future procurements and may constitute a criminal offence.

8. CONFIDENTIALITY AND DATA PROTECTION

- 8.1. IUCN follows the European Union's General Data Protection Regulation (GDPR). The information you submit to IUCN as part of this procurement will be treated as confidential and shared only as required to evaluate your Proposal in line with the procedure explained in this RfP, and for the maintenance of a clear audit trail. For audit purposes, IUCN is required to retain your Proposal in its entirety for 10 years after the end of the resulting contract and make this available to internal and external auditors and donors as and when requested.
- 8.2. In the Declaration of Undertaking (Attachment 2) you need to give IUCN express permission to use the information you submit in this way, including personal data that forms part of your Proposal. Where you include personal data of your employees (e.g. CVs) in your Proposal, you need to have written permission from those individuals to share this information with IUCN, and for IUCN to use this information as indicated in 8.1. Without these permissions, IUCN will not be able to consider your Proposal.

9. COMPLAINTS PROCEDURE

If you have a complaint or concern regarding the propriety of how a competitive process is or has been executed, then please contact procurement@iucn.org. Such complaints or concerns will be treated as confidential and are not considered in breach of the above restrictions on communication (Section 2.1).

10. CONTRACT

The contract will be based on IUCN's template in Attachment 3, the terms of which are not negotiable. They may, however, be amended by IUCN to reflect particular requirements from the donor funding this particular procurement.

11. ABOUT IUCN

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

Headquartered in Switzerland, IUCN Secretariat comprises around 1,000 staff with offices in more than 50 countries.

Created in 1948, IUCN is now the world's largest and most diverse environmental network, harnessing the knowledge, resources and reach of more than 1,300 Member organisations and some 10,000 experts. It is a leading provider of conservation data, assessments and analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards.

IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, indigenous peoples organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people's well-being.

www.iucn.org

<https://twitter.com/IUCN/>

12. ATTACHMENTS

Attachment 1 *Specification of Requirements / Terms of Reference*

TERMS OF REFERENCE FOR FUND MANAGER FOR THE COMMUNITY RESILIENCE FACILITY (CRF)

1.0 About IUCN

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1.1 TWENDE Project Overview

Among the projects implemented by IUCN’s Eastern and Southern Africa Regional Office is the TWENDE Project - Towards Ending Drought Emergencies: Ecosystem Based Adaptation in Kenya’s Arid and Semi-Arid Rangelands. This is a 5-year project funded by Green Climate Fund (GCF), with the International Union for Conservation of Nature (IUCN) as the Accredited entity. The main objective of the TWENDE project is to reduce the cost of climate change induced drought on Kenya’s national economy by increasing resilience of the livestock and other land use sectors in restored and effectively governed rangeland ecosystems. The project contributes to Kenya’s national policy of “Ending Drought Emergencies”, as outlined in “Kenya Vision 2030”. It strengthens climate change adaptation in Kenya’s arid and semi-arid lands (ASALs).

The project is implemented in three landscapes (Sabarwawa, Mid Tana and Chyulu Hills) spanning 11 counties (Kajiado, Taita Taveta, Makueni, Marsabit, Samburu, Isiolo, Garissa, Tana River, Meru, Kitui and Thara Nithi Counties). These target landscapes face a range of challenges including weak capacity for landscape planning, poor access to climate data and analysis, and limited access to markets and financial services. Implementation of the TWENDE project is through three components:

1. Component 1: Climate change adapted planning for drought resilience
2. Component 2: Restoration of rangeland landscapes for ecosystem-based adaptation
3. Component 3: Climate change resilient ecosystem management for investments

1.2 Community Resilience Facility (CRF) Overview

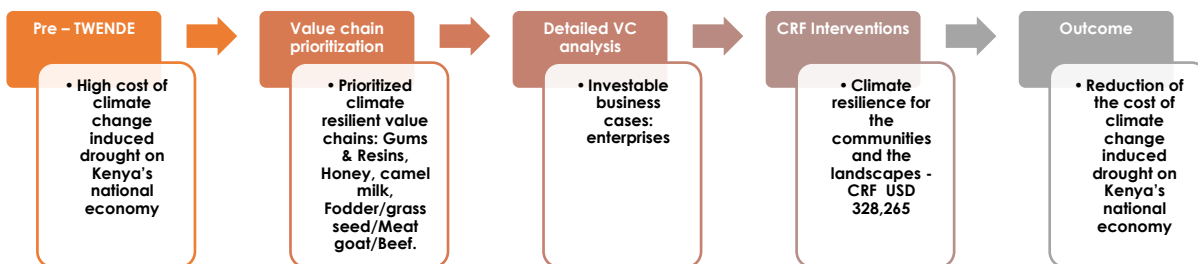
Under component 3, IUCN- Kenya intends to use part of the TWENDE project funding received from the Green Climate Fund to establish a Revolving Fund- a Community Resilience Facility (CRF). The main objective of this CRF is to provide a financial mechanism that seeks to incentivize sustainable land management and natural resource governance through community land use and restoration plans. It aims to provide access to finance, coupled with sustainable land management practices & incentives, to improve not only arid lands productivity but also resilience to climate change. This facility will benefit communities by creating economic stability and incentivizing restoration and sustainable management of natural resources.

1.3 CRF Objectives

The Community Resilience Facility endeavours to promote sustainable land management in Kenya’s arid and semi-arid target counties by introducing a specialized credit facility in form of a Revolving Fund. This innovative credit product, overseen by a Fund Manager, targets enterprises within the fodder/meat, honey, camel milk, gums & resins, and nature-based value chains across project areas in 11 counties in Sabarwawa, Mid-Tana, and Chyulu landscapes in Kenyan ASAL regions.

The CRF aim is to prioritize nature-based enterprises, offers flexible financing, sensible repayment terms, and affordable service charges to foster resilient enterprises and sustainable land management.

By tailoring financial solutions for community groups, as well as women and youth-led enterprises, the CRF not only aims to economically empower these arid communities but also strives to mitigate land degradation and strengthen climate change resilience, contributing to the holistic development of these fragile ecosystems.



Currently, some enterprises across the mentioned value chains have been identified to be beneficiaries of the CRF, and this will be the initial targets as other nature-based enterprises are on-boarded in the long term.

1.4 CRF Funding

With a seed capital of USD 328,000 from GCF, the CRF will be disbursed as a revolving fund credit under two distinct categories:

Group Credit (CBOs, VSLAs)

Community-Based Organizations (CBOs) and Village Savings and Loan Associations (VSLAs) will be funded as follows:

- **Credit Amount:** Ranging from Ksh 50,000 to 300,000
- **Attractive Service Charge:** Set between 9% to 12% p.a., with provisions for Shariah-compliant options where relevant.
- **Repayment Period:** Extending from 9 months to 2 years, including a grace period for the smooth transition into repayment obligations.

Enterprise Loans (Sole Proprietors, Cooperatives & Companies)

The enterprise loans constitute of sole proprietors, cooperatives, and companies actively engaged in nature-based activities, as follows:

- **Credit Amount:** Extending from Ksh 50,000 to 1,000,000
- **Competitive Service Charge:** Set within the range of 9% to 12% p.a., with a focus on accommodating Shariah-compliant preferences where applicable.
- **Repayment Period:** Structured over a span of 1 to 2 years, inclusive of a grace period, to provide borrowers with ample time to ensure timely repayments.

1.5 Groups and enterprises eligibility criteria

The CRF funds criteria will include but not limited to:

- a) A viable business model.
- b) Potential for significant, measurable environmental and social impacts – as detailed in the CRF design.
- c) Potential to unlock future follow-on investment at scale.
- d) Strong management capacity.

1.6 Key resources

The successful execution of the CRF require key resources by both the fund manager and IUCN, harmonizing the CRF's vision with operational excellence:

- i. **Revolving Funds from GCF:** A revolving funds kitty sourced from the Green Climate Fund (GCF) acts as the financial capital, driving the CRF's operations and enabling sustained impact.
- ii. **Skilled Staff:** Skilled IUCN & Fund Manager staff are involved in risk assessment, training, and community engagement to ensure CRF's effectiveness.
- iii. **Physical Infrastructure:** Dedicated offices to facilitate efficient engagement with borrowers.
- iv. **Digital Platforms:** These include but not limited to web, app, and USSD platforms to pave the way for streamlined communication, convenience, and digital accessibility for both Fund Manager and borrowers.

1.7 Key Activities

- **Training and Capacity Building:** There will be a continuous and comprehensive training programs to borrowers on responsible credit utilization skills, both by the fund a manger & project staff.
- **Credit and Risk Assessment:** Rigorously evaluating the creditworthiness and risk profile of potential borrowers to ensure successful outcomes by the fund manager.
- **Credit Disbursement:** Streamlining the credit processing, and disbursement process for efficiency.
- **Enterprise operation:** Accessing the credit and linking it to restoration enterprises that support land management. Enterprises will be required to sign a compliance agreement to ensure the funds are linked to its objectives.
- **Monitoring and reporting:** Continuously monitoring credit utilization and updates on fund progress.

- **Technical Support:** The Project team and fund manager will continuously provide technical support to the beneficiaries in form of business cases development, trainings and personalized assistance to the enterprises.

1.8 Geographical scope

The CRF is targeted for enterprises in the three landscapes spanning 39 wards for supporting activities on sustainable land management and ecosystem restoration. The target counties are as follows:

• Landscape	• Counties
• Sabarwawa	• Marsabit, Samburu & Isiolo
• Mid-Tana	• Isiolo, Meru, Tharaka Nithi, Kitui, Garissa & Tana River
• Chyulu	• Kajiado, Makueni & Taita Taveta.

1.9 Target Audience and Segmentation

The CRF will empower enterprises within the fodder/meat, honey, camel milk, gums & resins value chains across the Sabarwawa, Mid-Tana, and Chyulu landscapes. This finely tuned segmentation, is poised to drive positive environmental and economic change, exemplifying an approach tailored to the specific needs and challenges of these ecosystems.

The enterprises to be targeted will comprise the below, as well as include any other nature-based enterprise that promotes sustainable land management or restoration.

1. Gums & resins
2. Camel milk
3. Honey and
4. Fodder/grass seeds/meat value chains.
5. Additionally, other nature-based enterprises.

Examples of activities to be funded

The credit will assist restoration and land management enterprises to upgrade their infrastructure, improve operational capacity, among others to increase business value and unlock further capital. This is an endeavour to address barriers related to insufficient investment in rangelands and poor access to markets and financial services, the credit will support activities geared towards:

1. **Marketing**
 - Output and input supply and service delivery models to accelerate access to both inputs and outputs markets.
2. **Operations**
 - Introduction and upscaling of improved production and or processing technologies such as improved grass seeds varieties, modern bee hives, amongst others.
 - Improved productivity and profitability such as value addition activities.
 - Enhanced mechanisation and storage to among others reduce post-harvest losses such as fodder storage barns.
3. **Working capital**
 - Working capital financing

As such the funds will entail market infrastructure such as building digital platforms; equipment; cooling, processing & packaging machinery; quality control equipment/ laboratory, certification; automobiles ((such as Tuk Tuks, and motorbikes for aggregation and marketing); computers and related software; piloting of innovative extension models, etc.

The list is however not conclusive and other interventions and investments may be included, provided they contribute to sustainable land management and ecosystem restoration of the prioritized value chains.

An impact monitoring tool will be used to track the impact of the CRF funds. This impact will measure environmental, social, and economic benefits of the fund to the beneficiaries of the project. This may include:

- Economic Growth and Resilience: e.g. market access, access to financing
- Social Impact –job creation for women & youth and socio-economic development within local communities.
- Environmental impact-restoration, sustainable land management.

1.10 Key partners

To ensure its success, strategic partnerships between the project partners, fund manager and the enterprises will form part of CRF implementation. This already exists through project activities, and the fund manager is expected to work with the below partners for outreach and sustainability of the fund.

- a. Community-based enterprises-as primary target beneficiaries.
 - b. County governments- As focal points for group registration-The specific departments are the county departments for cooperatives where groups are registered with. Other departments are also important given the technical and supportive roles they provide to the various groups/enterprises.
 - c. IUCN -As the project coordinator for the TWENDE project
 - d. Conservation International-A project partner.
 - e. National Drought Management Authority (NDMA)- A project partner.
 - f. State Department for Livestock Development (SDL)- A project partner.
 - g. Maasai Wilderness Conservation Trust (MWC)- A project partner.
 - h. JustDigit - As project partner.
 - i. ADSE- As project partner.
- Any other strategic partner within the landscapes.

1.11 CRF Awareness & Popularization

To ensure popularization of the existence of the CRF, the fund manager is required to create awareness through platforms such as county governments, local partners, workshops, field days, and relevant online platforms. This will also be supported by the project partners through their networks and stakeholder forums.

1.12 Fund Management Cost structure

To enable long term growth and sustainability of the CRF, the Fund Manager will levy service charges to cover administrative and management costs. The provided annual service fee (9-12%) provided above is expected to cover the following, and any other unforeseen costs. This service fee will be charged to the borrowers who will repay back the credit with a service fee to facilitate administration and re-borrowing by other borrowers.

- i. **Training and Capacity Building:** To facilitate comprehensive training programs for enterprises by expert trainers and tailored educational materials, nurturing responsible credit utilization skills and sustainable practices.
- ii. **Credit and Risk Assessment:** To conduct thorough credit and risk assessments, encompassing specialized staff and risk assessment tools.
- iii. **Digital Platform Costs:** To ensure seamless user experience, efficient applications, and real-time communication.
- iv. **Credit Provisioning & Insurance:** Ensuring fund insurance to mitigate potential loan defaults, safeguarding both the CRF's stability and borrowers' interests.
- v. **Monitoring, Support, and Impact Assessment:** To monitor credit utilization, provide ongoing support, and conduct impact assessments.

1.1.3 Fund Governance

A Fund Management Committee comprising representatives from IUCN, CI, and selected Fund Manager will be formed to exercise strict oversight of fund management, ensuring accountability and alignment with project objectives. The fund Manager is required to provide periodic report to the committee, to share project progress and any other concerns related to the fund.

IUCN-Kenya

- Kenya Country Director
- Landscape Coordinators
- Finance Representative

Conservation International

- Country Director
- Senior Director, Conservation Finance Division

Fund Manager

- Members to be decided with the fund manager.

Roles of the fund Management Committee

- i. Providing strict oversight of fund management.
- ii. Ensuring accountability of funds through reviewing of periodic reports from the fund manager
- iii. Compliance monitoring-Guiding the alignment of the fund utilization with the project objectives.
- iv. Conduct regular evaluations of fund management processes.
- v. Impact monitoring and reporting to other stakeholders, including the donor.
- vi. Address any grievances raised by beneficiaries.

1.14 CRF Management

IUCN therefore seeks an established financial institution to act as a CRF Fund Manager to administer the onward lending of CRF funds to communities through a revolving fund mechanism for the next two years. The CRF is intended to be a long-term community resilience fund, and the terms of long term-engagement will be agreed upon at the end of the project.

The CRF will be managed by the selected fund management firm, 'Fund Manager' with oversight from IUCN. The selected fund manager will have a proven track record in managing revolving funds in the climate change sector. The Fund Manager and IUCN will enter into an Implementation Agreement governing the management of the CRF. IUCN through the TWENDE project will provide training, capacity-building and technical assistance to businesses applying for the CRF, while the Fund Manager will provide specific expertise in CRF disbursement and management.

The CRF will be separated from other TWENDE grants and will have clear performance indicators to measure results. The Fund Management Committee, comprising of Representatives from IUCN, Conservation International and Fund Managing firm will supervise the Facility's operations, including compliance with the operating guidelines, and approve any major change in the design (e.g., changes in the CRF parameters, etc). The Fund Management Committee will not be required to approve day to day fund disbursements.

1.15 Scope of the Assignment

IUCN is therefore seeking to recruit a fund manager to manage the CRF by undertaking the below tasks:

1. Credit Approval and Disbursement:

- Approve and disburse CRF funds to enterprises in alignment with predetermined sustainable land management criteria as indicated in the project.

2. Follow up on repayments:

- The fund manager will be responsible for following up with the repayments, based on agreed period and amounts to be repaid. While there might be expected challenges such as loan defaulting by borrowers, rigorous borrower assessment will be conducted prior to loan approval. Risk-scoring models will be employed, focusing on credit history, business viability, and repayment capacity. Group guarantees will be required for larger group loans.

- Flexible repayment options and grace periods will be provided to accommodate borrowers during challenging times. Borrowers will be encouraged to communicate early if facing difficulties. The loans will also be insured against unforeseen eventualities.

3. Fund Monitoring & Reporting:

- Provide regular reports to the committee, detailing approved funds, disbursed amounts, and fund utilization and project impact.
- Inform the fund committee on any changes/challenges that require adjustments as needed. IUCN shall offer guidance and expertise to ensure project alignment.

4. CRF Popularization:

- Fund manager is expected to use channels such as workshops, engaging field days, campaigns, and direct interaction at pastoral training centres, to raise awareness about the CRF, to increase borrowers.

5. Matching Funds for Sustainable Growth:

- We encourage the Fund Manager to seek additional funding sources, including own internal sources, investors, or development agencies, to supplement the initial capital.

1.16 Risk Assessment and Mitigation:

The Fund Manager will evaluate the creditworthiness and risk profiles by conducting due diligence on potential borrowers to ensure risks are mitigated. The fund manager is expected to insure the funds with existing fund insurance authorities, for risk mitigation from defaults and other eventualities. In case of defaults from borrowers, the Fund Manager is cover up these costs through the insured funds. Below are some types of risks, and mitigation measures to be adopted. The Fund Manager should also propose other possible risks and its mitigations measures in their proposal.

1. Credit Risk:

Risk: Borrowers Overextending - Borrowers might take on more debt than they can repay, leading to default.

Mitigation: Financial literacy and business training will be provided to borrowers to ensure they understand their repayment capacity and the implications of taking on loans. Loan limits will be set based on individual or group repayment capacity.

2. Market and Business Risks:

Risk: Business Viability - Borrowers' enterprises might not generate enough revenue to repay the loan.

Mitigation: Comprehensive business assessments will be conducted to evaluate the viability of borrowers' enterprises. Business plans will be reviewed to ensure realistic revenue projections.

Risk: Market Fluctuations - External factors such as economic changes or competition could impact borrowers' business performance.

Mitigation: Borrowers will receive guidance on diversification strategies and risk mitigation practices. Mentoring and coaching programs will be offered to help borrowers adapt to changing market conditions.

Social Risks:

Risk: Group Dynamics - In group lending scenarios, conflicts among members could affect repayment.

Mitigation: Group selection will be based on social cohesion, and members will undergo group dynamics training. Clear roles and responsibilities within the group will be established to prevent conflicts.

Risk: Cultural and Ethical Concerns - Borrowers' adherence to cultural norms might impact repayment behaviour.

Mitigation: Cultural awareness training will be provided to MFIs and borrowers. Loan terms and communication strategies will be adapted to align with cultural expectations.

Repayment Risks:

Risk: Unforeseen Events - Borrowers might face unexpected challenges that affect their ability to repay.

Mitigation: Flexible repayment options and grace periods will be provided to accommodate borrowers during challenging times. Borrowers will be encouraged to communicate early if facing difficulties. The loans will also be insured against unforeseen eventualities.

Information Asymmetry:

Risk: Lack of Understanding - Borrowers might not fully understand the terms and conditions of the loan.

Mitigation: Clear and transparent communication will be ensured throughout the loan application and disbursement process. Borrowers will receive detailed explanations of loan terms and repayment obligations.

By proactively identifying potential risks and implementing robust mitigation strategies, both the selected MFIs and borrowers will navigate the CRF initiative with confidence, enhancing the overall success of the program while minimizing potential negative outcomes.

1.16 Monitoring, Evaluation and Reporting

IUCN will have the overall responsibility for monitoring and evaluation of the impact of CRF funds, and will conduct supervision missions on a regular basis and the Fund Manager will give support during such missions, providing information and feedback on the CRF performance, opportunities and challenges, and any adjustments required.

The Fund Manager shall prepare and submit to IUCN periodic reports (monthly/quarterly) as it will be agreed. The Fund Manager shall also participate in quarterly meetings with Fund Management Committee to discuss progress made during the last period covered by the reports, as well as emerging issues and bottlenecks. IUCN shall also facilitate communication with the respective partners on matters affecting the CRF implementation and which might require specific action.

The Facility will be subjected to a mid-term evaluation, which will be carried out towards the mid-point of the implementation period, as well as a final evaluation of the project after its closing. The Fund Manager will be expected to participate in the evaluation.

1.17 Duration of Service

TWENDE project's closing date is December 2025, corresponding to the end of the project. However, the project is seeking extension, and this may extend up to 2027. The initial assignment period for this phase will be until December 2025.

Exit Strategy

1.18 Co-financing and Matching with Other Funds

Co-financing is encouraged, including financing provided by other funds and commercial financial institutions, as well as enterprises is eligible. The search for funding from other sources, e.g., from local financial institutions and other development partners should also be promoted. CRF is established to enable other potential investors to participate directly in the facility, and additional funding and investments are encouraged over the course of the project.

1.19 Previous Experience

Interested firms must have a proven track record in managing revolving funds, credit lending or climate finance, preferably for value chains. The Fund Manager shall provide a dedicated team made of qualified professionals in the performance of the roles and responsibilities.

1.20 Compliance with IUCN & GCF Standards

A compliance monitoring tool will be provided by IUCN. The Fund Manager is expected to comply with GCF & IUCN policies and standards on money laundering, fraud, safeguarding, financial standards etc.

In addition, the fund manager shall adhere to IUCN's Environmental and Social Management Safeguards (ESMS) by ensuring that the:

- Interventions to be financed and implemented are in relation to the sustainable land management activities targeted under this Activity;
- Adherence to the implementation of Environmental and Social Safeguard System;
- Demonstrate gender mainstreaming consistent with the Gender Action Plan;