### Project/Activity Name:
KENYA LIVESTOCK MARKETING AND RESILIENCE PROJECT (KLMP)

### Aresso Work Order:
KE0864HIKE00

### Country:
KENYA

### EXPRESSION OF INTEREST - 20240304KE

#### PROVISION OF INNOVATIVE INDEX-BASED LIVESTOCK INSURANCE FOR POULTRY AND BEEF FARMERS.

**Funded By**
*Swedish International Development Cooperation Agency (SIDA)*

#### EOI Release Date:
15th March 2024

#### Proposal Submission Deadline:
11th April 2024

#### Question/Inquiry Submission Deadline:
02nd April 2024

#### Electronic submission to the attention of:
Procurement Kenya

#### Electronic submission:
[procurement-ke@heifer.org](mailto:procurement-ke@heifer.org)

#### Contact information for inquiries about this EOI:
[procurement-ke@heifer.org](mailto:procurement-ke@heifer.org)

#### Performance Period:
May 2024 to May 2027
1. BACKGROUND INFORMATION

Heifer International Kenya

Heifer International Kenya has been operating in Kenya since 1981 with a mission to work with communities to end hunger and poverty while caring for the earth. Heifer’s vision is “a world of communities living together in peace and equitably sharing the resources of a healthy planet”. Using a values-based community development approach, Heifer Kenya works with communities to strengthen the local economy, diversify diets with better nutrition, and properly manage water and soil systems for future generations.

Heifer’s pro-poor development approach focuses on creating wealth through viable value chains that harness the social capital of communities to drive market development. After over seven decades of proven community development approach and expertise to support smallholder farmers around the world to lift themselves out of poverty, Heifer International is now accelerating its strategic approaches to closing the Living Income (LI) gap, through the design and implementation of Signature Programs. Such programs are designed to be long-term (up to 10 years), private sector driven and promote scale, working in partnerships with private and public sector actors for permanence of impact.

Amongst its current portfolio is the Kenya Livestock Marketing and Resilience project (KLMP).

2. ABOUT KENYA LIVESTOCK MARKETING AND RESILIENCE PROJECT

The Kenya Livestock Marketing and Resilience project (KLMP) is part of the Heifer Kenya Signature Program, Practice for Change. The project will be implemented in 9 Counties across Kenya, namely: Kajiado, Isiolo, Busia, Kakamega, Nandi, Uasin Gishu, Trans-Nzoia, Nakuru and Bungoma. The overall goal of KLMP is to strengthen the production and marketing systems for improved livelihoods and resilience among 38,000 poultry and beef-producing households, moving them towards achieving a living income of USD 4,331 annually by 2026.

KLMP is a co-created intervention between SIDA and Heifer Kenya aligning with the new SIDA Kenya strategy (2021-25).

The proposed project, KLMP, provides Heifer with the opportunity to expand into the beef value chain in the Arid and semi-Arid lands (ASALs) and deepen Heifer’s interventions in the Lake Basin Economic Block (LBEB), targeting value chains with the highest impact among the smallholder farmers, youth, and women. The poultry value chain is one of the strongest value chains within the region, as identified through consultation with respective county governments and stakeholders in the LBEB. The KLMP project will contribute to Heifer Project International’s Vision 2030, which aims to support 10 million smallholder farmers globally to achieve a sustainable living income by 2030, including through activities focused on strengthening production and marketing systems.

The KLMP project objectives include:

- Strengthening production systems for improved resilience and livelihoods
- Strengthening Market systems, Infrastructure, and Business relationships
- Pastoralists, Agro-Pastoralists and Partner Institutional capacities strengthening for natural resources management (NRM) and conservation.
- Empowerment of gender and youth for livestock value chains
3. JUSTIFICATION OF APPROACH OR IMPLEMENTATION PLAN
Climate change has become a reality in the Country with crop and livestock farmers threatened by loss of animals, livelihoods, and crop failure. Insurance has become essential to mitigate this and protect the livelihoods of smallholder farmers and pastoralists. Traditionally, one of the standard livestock insurance products has been an indemnity cover, which covers multiple perils such as accidental death, disease, emergency slaughter, etc. However, smallholder pastoralists have found this cover not to be helpful in the event of drought, which is occurring more often. This is because the indemnity cover does not provide compensation in time for pastoralists to cover costs related to searching out better pastures and maintaining breeding stock. Farmers and pastoralists prefer to protect their livestock from dying rather than for their livestock to die for them to be compensated.

Globally, less than 20 per cent of smallholder farmers have insurance to protect themselves against the impact of unexpected events. Smallholder farmers have been unable to access indemnity-based insurance services, which require farm-level loss assessments. Low awareness and knowledge of insurance, coupled with the high cost of premiums, have restricted farmer uptake. Insurance providers have largely overlooked smallholder farmers due to the cost of acquiring and serving rural customers in remote locations, making farmers a less profitable customer segment for the industry. The emergence of index insurance, which makes payouts based on a predetermined index rather than on-farm visits, has overcome some of the challenges of indemnity-based models, such as high operational costs, the cost of premiums and the ease of settling claims.

Kenya Livestock Marketing and resilience project (KLMP) project aims to facilitate smallholder poultry and beef farmers, their service provider networks, and the rest of the value chain actors through insurance targeting:
- 6000 pastoralists in the beef value chain
- 3000 chicken producing households.

4. MAIN OBJECTIVE OF ASSIGNMENT
Kenya livestock marketing and resilience project (KLMP) seeks the provision of an innovative, scalable, and sustainable insurance services provider targeting small holder farmers/pastoralists in the beef and poultry business for more sustainable inclusive food systems and increased resilience to climatic shocks for increased incomes from their poultry and beef enterprises. KLMP seeks to procure the services of an insurance service provider to onboard 6000 beef and 3000 poultry producers in the targeted counties and provide Insurance services with potential for scale up. The service provider will ensure that the project’s data emanating from the pilot initiative will only be used for the agreed upon project purposes. Use of data will be guided by provisions of Kenya’s Data Protection Act 2019, Heifer’s and KLMP Data Compliance Management regulations.

Assignment Scope
- Insurance product co-design and pricing for 6,000 beef farmers and 3000 poultry farmers based in the project targeted 9 countries.
- Digitizing the creation and delivery of index insurance services.
• Farmer registration and geo-locating
• Claims determination and reporting through generation of new data to improve weather models.
• Design a methodology for scale up and replication of approach for additional farmers and their geographic locations.

5. THE FIRM
Heifer International Kenya is looking for an insuretech or insurance firm with substantial experience in implementing and providing digital insurance products targeting smallholder farmers and pastoralists. More specifically, the firm should have a proven track record in deploying and scaling up pilot insurance initiatives among farmers/pastoralists especially in Asals, experience with relevant products especially related to livestock insurance for sustainable and resilient livelihoods. The firm should have excellent report writing and presentation skills in English.

6. EXPECTED DELIVERABLES
   a) Documentation of insurance product(s) features
   b) Product design
   c) Sensitization on the product to the project value chain actors including the farmers (through the POs), Digital Agriculture Champions and Farmer-Owned agribusinesses (FOABs)
   d) Roll out of insurance products to target households.
   e) Claims determination and reporting.
   f) Documentation of the process and criteria for scale up.
   g) Clear sustainability and scale up mechanisms for uptake of services by producer organizations.

7. REPORTING AND COMMUNICATION
Frequent updates as shall be agreed upon between Heifer Kenya and insurance provider will be provided to the Kenya Livestock Marketing and Resilience project (KLMP) project manager throughout the activity duration. A final report on the insurance scheme's performance at the end of partnership engagement.

8. EVALUATION CRITERIA
Heifer Kenya will evaluate all EoIs based on the following criteria. Vendors are encouraged to provide detailed and specific responses in alignment with these criteria. The selected firm will be expected to customize the product design and pricing in consultation with KLMP Project and product beneficiaries prior to roll out.

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<th>Proposal Evaluation Focus</th>
<th>Percentage</th>
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<tr>
<td>Type of products and their relevance to targeted areas and beneficiaries</td>
<td>15%</td>
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<td>Clarity and relevance of the insurance solution that provides innovativeness, originality, and room for co-design.</td>
<td>20%</td>
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Completeness of EoI according to the call (proven track record (shared experience), expertise, all statutory requirements. 20%

Experience (proven track record) in implementing and providing digital insurance products targeting smallholder farmers and pastoralists in ASALs, more so relating to livestock insurance 25%

Proposed team: expertise and competencies to address project components 20%

Total 100%

9. APPLICATION REQUIREMENTS
Local and international firms that are legally registered are ELIGIBLE to apply and should submit the following documents upon application:

a) Letter of expression of interest and demonstration of capability including (Name of organization/company, contact details – the name of the contact person, physical address, phone number, and email address)

b) An Expression of interest detailing your understanding and how you propose to undertake the assignment, information approach as below.
   i. Capacity Statement.
   ii. Organization overview highlighting relevant products and support on insurance completed or on-going with areas (counties) implemented, value chains, number of smallholder farmers/pastoralists reached. In each assignment/project provide client name, contact person, and mobile number.
   iii. The capacity and portfolio of key staff proposed for this partnership, especially the Project manager.

c) The firm expressing interest MUST attach the following documents accompanying the EOI to Heifer International:
   a. Certificate of Incorporation or Business Registration Certificate.
   b. Valid Tax Verification Documents
   c. Trade reference Relevant Insurance industry licenses
   d. Audited financial statements for the last 3 years.

10. APPLICATION PROCEDURE
Proposals will be accepted in soft copy through email and mentioning the subject line; “KENYA LIVESTOCK MARKETING AND RESILIENCE PROJECT (KLMP) LIVESTOCK INSURANCE” to procurement-ke@heifer.org on or before Thursday 11th April 2024

11. LATE SUBMISSIONS AND MODIFICATIONS
EOIs received after the submission deadline will not be considered. Applicants are responsible to ensure their EOIs are submitted according to the instructions stated herein. Heifer retains the right to terminate this call for EOI or modify the requirements upon notification to the applicants.
12. VALIDITY OF SUBMISSIONS
EOIs submitted shall remain open for acceptance for Twenty-One (21) days from the last date specified for receipt of the EOI. This includes, but is not limited to pricing, terms and conditions, service levels, and all other information. If your organization is selected, all information in this document and the negotiation process is contractually binding.

13. LIMITATIONS
This EOI does not represent a commitment to award a contract, to pay any costs incurred in the preparation of a response to this call for EOI, or to procure or to contract for services or supplies. Heifer reserves the right to fund any or none of the applications submitted and reserves the right to accept or reject in its entirety and absolute discretion any EOI received as a result of the call for EOI.

14. DIVERSITY AND INCLUSION
Heifer International values diversity, equity, inclusion and belonging (“DEIB”), and believe that effectively accessing and managing diverse talent leads to improved outcomes. HPI take a broad view of diversity, and inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. HPI expect third-party providers to respect and reflect HPI’s value of DEIB. HPI’s ongoing monitoring of third-party service providers incorporates an assessment of vendors’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces.