



## **TERMS OF REFERENCE FOR PROVIDING TECHNICAL ASSISTANCE FOR DESIGNING, DEVELOPMENT AND UPLOADING OF BDS ONLINE TOOL KIT FOR MSMEs AND FINANCIAL ACTORS (DEBT, EQUITY, GRANTS PROVIDERS)**

### **1. BACKGROUND**

Established in 1959, Kenya Association of Manufacturers (KAM) is a representative of manufacturing and value-add industries in Kenya. The Association has grown into a dynamic, vibrant, credible Association that unites industrialists and offers a common voice for businesses.

We have been front and centre in driving fact-based policy advocacy towards the formation of industrial policies to strengthen and support the country's economic development. Through fact-based advocacy, KAM partners with Government and its associated agencies to ensure a dynamic and flourishing manufacturing sector in Kenya, to realize a double-digit contribution to GDP.

KAM members are categorized into 14 sectors, 13 of which are in processing and value addition while the other two offer essential services to enhance formal industry. Sub-sectors are defined by the type of raw materials companies import or the products they manufacture.

The Association also plays a crucial role in advocating the government to create an environment conducive to entrepreneurship and SME development to secure the future of industry. KAM set out to provide strategic leadership in supporting Manufacturing SMEs towards inclusive global competitiveness.

SME development offers value added services to growth oriented and market ready manufacturing SMEs. It is geared towards preparing, nurturing, and growing businesses to take full advantage of new emerging market frontiers both locally and in the international space.

The mission is to foster the development of a flourishing entrepreneurial culture and competitive small and medium manufacturers in Kenya and in the region.

### **2. RATIONALE**

MSMEs play an important role in promoting the growth of Kenya's economy, and account for most businesses across the country. In 2016, MSMEs employed approximately 14.9 million people with 11.8% being in the manufacturing industry. The impact of COVID-19 on these MSMEs is felt much harder than larger manufacturers. Although laying off employees would be considered as a last resort, MSME manufacturers are struggling with retaining their staff with the casual workforce being hit the hardest. Access to finance is far more difficult for MSMEs as they are considered as high-risk enterprises due to their lack of tangible assets that can act as collateral. With the added challenge of collecting cash from their debtors, having adequate working capital to pay their bills is evidently lower and is even worsened by the pandemic.

MSMEs are at a higher risk of buckling under the pressures of low demand, decreased turnover, and rising costs. Nascent businesses need to be further looked into to understand how they are coping with the current challenges. For those that are unable to do this, further downscaling and even closing may be the only option. Considering the contribution of MSMEs to the socio-economic development, employment, and livelihoods, it is imperative that cushioning them from the negative effects of the COVID-19 pandemic is the most rational action. While the government has instituted many measures towards this objective, the private sector and development partners are equally called to supplement the public sector initiatives to secure the MSMEs, incomes, jobs, and employment hence livelihoods.

KAM, therefore, seeks to ensure the survival of manufacturing MSMEs and forestall total collapse of demand (consumption) and create preconditions for a robust recovery in business, incomes, jobs and employment *by Designing, Development and uploading BDS online tool kit for MSMEs and Financial actors (debt, equity, grants providers)*. We are therefore seeking the services of a consultant to provide technical assistance as follows: -

### **3.0 SCOPE OF THE ASSIGNMENT**

#### **3.1 Overall Objective.**

The overall objective is identifying, selecting, and supporting innovative MSMEs to survive and thrive past the COVID-19 pandemic period through technical assistance, training, designing, development and uploading the Business Development Services (BDS) online toolkit for MSMEs and Financial actors (debt, equity, grants providers).

#### **3.2- Specific Objectives**

- i. Determining appropriate online facilities and toolkits for facilitating interactions with MSMEs and financial actors (debt, equity, grants providers)
- ii. Designing, developing and uploading the BDS online tool kit for MSMEs and financial actors (debt, equity, grants providers).
- iii. Training and capacity building of MSMEs on utilization and sustenance of the online BDS toolkits and facilities.

#### **3.3 Deliverables**

- i. Recommendations for appropriate online facilities and toolkits for facilitating interactions with MSMEs and financial actors (Debt, equity, Grants providers).
- ii. BDS online toolkit for SMEs and financial actors (debt, equity, grants providers). designed, developed and uploaded.
- iii. Report on training and capacity building of MSMEs on utilization and sustenance of the online BDS toolkits and facilities.

#### **4.0 METHODOLOGY**

The assignment will require desk review of literature on Kenya's manufacturing ecosystem and competitiveness and market opportunities for manufacturing SMEs, among others. It will further involve consultations with stakeholders, among them, KAM Sectors for experiences and ideas on application of ICT, digital and online facilities for BDS.

#### **5.0 DURATION OF THE ASSIGNMENT**

The assignment will be for five (5) days.

#### **6.0 REPORTING.**

The consultant will be directly reporting the Head of KAM Consulting Services.

#### **7.0 QUALIFICATION AND EXPERIENCE**

The consultant should be a holder of post graduate degree in Information Technology, Information Science, ICT, entrepreneurship or development studies or economics or strategic management from a recognized University.

He/She should have over 10 years' experience in developing and institutionalizing SME development programmes within Kenya.

The consultant also needs to demonstrate ample experience in designing and institutionalizing programmes for assisting SMEs to apply/utilize digital and online services for their business development.

#### **7.0 Application for consultancy**

Interested consultants are requested to submit both soft copy (to [procurement@kam.co.ke](mailto:procurement@kam.co.ke)) and physical proposal (technical and financial) by **28<sup>th</sup> April 2022** at KAM House, Westlands (15 Mwanzi Road, Opposite Westgate Shopping Mall).

#### **1. Technical proposal**

- i. Description of the firm and the firm's qualifications
- ii. Copy of company certificate of incorporation
- iii. Tax Compliance Certificate (Valid)
- iv. Statutory KRA PIN and VAT certificate copies
- v. Brief description of Understanding of the requirements for services, including assumptions
- vi. Proposed approach and methodology

- vii. Proposed team structure
- viii. Project team members together with CV of lead consultant
- ix. Executive brief of relevant similar projects undertaken in the past 2 years.

**2. Financial proposal**

- i. A summary of the price.
- ii. The period of its validity

**Note:**

- Technical and financial proposal should be presented in different envelopes
- For individual consultant, please submit individual pin certificate as well as valid tax certificate

- 3. **Curriculum Vitae and two recommendations** (For a firm should contain CVs for all Consultants involved in the Consultancy)

**Physical address**

KAM Procurement  
Kenya Association of Manufacturers  
P.O Box 30225 -00100  
Nairobi  
KAM House (15 Mwanzi Road, Opposite Westgate Mall)

**\*ENDS\***