



TERMS OF REFERENCE FOR PROVIDING TECHNICAL ASSISTANCE FOR FACILITATING THE SME INNOVATION PROGRAMME COMPETITION MANAGEMENT AND PERFORMANCE REPORTING.

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.

In its quest to advocate for an enabling environment, the Association focuses on the growth, expansion and competitiveness of SMEs as one of the priority areas. This is because we recognize SMEs as a key enabler of job and wealth creation.

2. RATIONALE.

3. MSMEs play a major role in promoting Kenya's economic growth, 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.
4. A KAM, KPMG survey found that the impact of the COVID-19 pandemic was more severe on MSMEs. Although laying off employees would be considered as a last resort, manufacturing MSMEs 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 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.
5. 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 public sector initiatives to secure the MSMEs, incomes, jobs, and employment hence livelihoods.

6. KAMs, 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 supporting adaptive and innovative MSMEs** to survive and grow beyond the COVID -19 pandemic. 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 recognition of their adaptation and innovativeness, providing effective BDS, training, coaching and technical assistance.

3.2. Specific Objectives

The overall goal will be achieved through the following objectives.

- i. Operationalizing and setting up the competition assessment and selection Process for the SMEs adaptation and innovativeness recognition scheme.
- ii. Undertaking Performance assessment, Impact created, adaptation and innovativeness of Kenyan manufacturing MSMEs

3.3 Deliverables

The following will be the key deliverables for the assignment:

- i. Operational and running scheme for the SMEs adaptation and innovativeness recognition including competition assessment and selection Processes.
- ii. Documented reports on Performance assessment, Impact created, adaptation and innovativeness of Kenyan manufacturing MSMEs.

3.4 Objectives and activities

- **Objective 1; Operationalizing and setting up the competition assessment and selection Process for the SMEs adaptation and innovativeness recognition scheme.**
- **Activities.**
 - i. Undertaking competition set up for the manufacturing SMEs innovation award scheme (Competition Assessment Template)
 - ii. Developing and setting up the competition assessment and selection Process
 - iii. Undertaking a sensitization forum

iv. Conducting verification visits of 50 SMEs

- **Objective 2: Undertaking performance assessment and impact reporting for the SMEs and Recognition of their adaptation and innovativeness**
- **Activities**
 - Undertaking Performance assessment and reporting for 50 SMEs
 - Undertaking quality assurance
 - Documenting the award scheme and ceremony.

4.0 METHODOLOGY

The assignment will require Desk review of Literature on among other areas the Kenya Manufacturing Sectors ecosystem, Competitiveness, adaptability and innovativeness of manufacturing MSMEs. It will further involve consultations with stakeholders among them KAM sectors for experiences and ideas on adaptability and innovativeness towards enhanced performance, competitiveness and sustainability. Benchmarking with international best practices for recognition and award systems for MSMEs will be necessary. The desired scheme should cover all the manufacturing sub-sectors and regions in Kenya.

5.0 DURATION OF THE ASSIGNMENT

The assignment will be for one and half (1.5) months with an option of extension depending on achievement of the objectives and deliverables.

6.0 REPORTING.

The consultant will be reporting directly to the Head of KAM Consulting Services and SME Development Executive

7.0 QUALIFICATION AND EXPERIENCE

The consultant should be a holder of post graduate degree in 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 SMEs development programmes within Kenya. He/She should further demonstrate the knowledge of the Kenyan Manufacturing SMEs ecosystem. The consultant also needs to demonstrate ample experience in designing and institutionalizing programmes for assisting SMEs to innovate and adapt to Economic situations.

8.0 Application for consultancy

Interested consultants are requested to submit both soft copy (to procurement@kam.co.ke) and physical proposal (technical and financial) by **20th May 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