ToR Kenya Resilience Bond

Background

This consultancy will deliver an updated Green Climate Fund concept note for an innovative mechanism to integrate investment in climate resilience and insurance and for a combination of social, financial and climate benefits while crowding in private investment. The financial mechanism will create incentives for communities to invest in resilience building through insurance premium reductions and thereby create social and financial benefits (i.e. food security and more stable income from more climate resilient agriculture, including crop production, pastoralism and fisheries), alongside climate and environmental benefits. This, in turn, will improve the environment for private investment in Kenya and stimulate a new market for similar instruments across sub-Saharan Africa, as well as making insurance more affordable.

Purpose of the assignment

Update the draft concept note for a Kenya Resilience Bond and in close consultation with IUCN, FSD Africa, the Government of Kenya represented by the National Treasury, and other partners, strengthen the concept to produce a full document that is ready for submission to the Green Climate Fund.

Specific outputs

1. Provide details of restoration interventions in the 3 target sectors (crop farming, pastoralism, fisheries) that lead to measurable resilience outcomes and a reduction in insurance premiums.
2. Provide indicators of resilience outcomes for the above interventions and indicative baseline data including potential willingness and demand from smallholders based on adoption rates of past insurance products.
3. Provide baseline data on adoption rates for the existing WFP R4 Crop Insurance Programme and ILRI’s Kenya’s Livestock Insurance Programme (KLIP) as well as documenting current barriers to adoption, including willingness and demand from land users and relevant references to any constraint for adoption (e.g. liquidity during planting time, etc.).
4. Propose an alignment of the Resilience Bond concept with the KLIP model developed by ILRI. The challenge with current model is that it uses a NDVI index which means that climate resilience initiatives don’t reduce the probability of an index trigger and thus don’t reduce insurance premiums.
5. Propose alignment of the Resilience Bond with WFPs R4 Crop Insurance Scheme
6. Propose the principle steps in developing a comparable insurance scheme for the fisheries sector that can be aligned with the Resilience Bond
7. Review and propose additional partners with their potential roles for a core project development team at preparatory phase (validation work) and other key stakeholders
8. Identify additional investment partnership arrangements for the proposed financial mechanism and outline possible roles for KCB and other actors
9. Propose a monitoring, evaluation and learning system for the concept note linked to the strengthening and enhancement of climate, hydrological and biodiversity components based on early warning systems and fintech solutions
10. Edit the concept note to ensure overall consistency with relevant national priorities and policies including regulatory framework and government ownership.

11. Edit the concept note to ensure logic and coherence, including through an updated theory of change based on the above

**Required approach**

The concept note has been developed in partnership between IUCN and FSD Africa. The project is intended to build on existing insurance schemes developed by ILRI and WFP. It will also incorporate restoration actions in the livestock, crop and fisheries sector as developed by ILRI, ICRAF and others. These partners should be consulted on project design. In addition, the consultant should discuss potential engagement with KCB as an investment partner.

The consultancy is anticipated to take approximately 15 days, given the advanced state of the existing draft concept. The consultant will submit a workplan to justify the number of days required.

**Profile of the consultant**

- Advanced university degree in environmental finance, environmental sciences, agriculture, forestry, climate change, soil sciences, environmental economics, business development and management or related fields;
- A minimum of 10 years’ experience in natural resource management, notably policy, resource mobilization and innovative finance;
- Experience in elaborating quality project concepts and full project proposals that meets the aspiration and criteria of the GCF (prior experience in GCF project design an asset);
- Proven work experience as a technical advisor on projects development and preparation in at least one of the following thematic areas: forest and landscape restoration, sustainable forest management, climate smart agriculture, agricultural development, ecosystem-based adaptation, ecosystem management, etc.;
- Experience of this in Kenyan context and familiarity with the key stakeholders in Kenya a strong asset
- Experience of project development with private investors;
- Fluency in English.

**Submission of applications**

Applications should be submitted by e-mail to [linda.lungaho@iucn.org](mailto:linda.lungaho@iucn.org) and [Bora.MASUMBUKO@iucn.org](mailto:Bora.MASUMBUKO@iucn.org)

**The deadline for applications is June 30th, 2021.** Only applications submitted by the deadline will be considered. The submission must comprise the technical and financial proposal.

Application is by letter of interest and CV. The letter of interest should include a draft work plan and financial proposal.