



**MINISTRY OF FOREIGN AND DIASPORA AFFAIRS
STATE DEPARTMENT FOR DIASPORA AFFAIRS**

**PROPOSAL FOR
CONSULTANCY SERVICES FOR CARRYING OUT A BASELINE SURVEY ON
REMITTANCES**

PREPARED BY THE SAVINGS, INVESTMENTS AND REMITTANCES DIVISION

DECEMBER, 2023

TERMS OF REFERENCE

1. Background

The State Department for Diaspora Affairs was created through Executive Order No. 1 of 2023 with a six (6) point mandate. The State Department was conferred with three (3) additional mandates as well as the Diaspora Placement Agency, under the Executive Order No. 2 of 2023.

SDDA mandate therefore is to: Champion the Protection of the rights and promotion of the welfare and interest of Kenyans overseas; Promote continuous dialogue with Kenyans abroad; Support Kenyans in the diaspora in harnessing more opportunities for employment and enterprise development; In liaison with other stakeholders promote the participation of Kenya's diaspora in democratic processes in the country; Develop Incentive framework for Diaspora Remittances; Harness Diaspora savings, facilitate Foreign Direct Investments (FDI) and Technology transfers; Liaison with the Ministry of Labour in implementation of the Labour Migration Policy as well as the Global Labour Strategy; In conjunction with the Ministry of Labour secure the placement of Kenyans abroad; and Mainstreaming the Kenyan Diaspora into the national development process.

The State Department recognizes that the Diaspora presents enormous potential for skills, knowledge, and technology transfer as well as savings, investment and remittances hence the need for targeted investment in their rights and welfare and concerted effort by the Government and the private sector. The State Department further recognizes the imperative to among other initiatives, strategically incentivize remittances towards achieving the Ksh.1 trillion target in annual remittances by 2027, in line with the Bottom-Up Economic Transformation Agenda (BETA).

This assignment is intended to assist SDDA establish a conducive environment and an enabling ecosystem which will help achieve the target of Ksh. 1 trillion in annual remittances by 2027 and at the same time achieve an equitable spread between remittances for personal savings and investments.

Specifically, this assignment is to carry out a Baseline Survey on Remittances which will ultimately inform the development of an Incentive Framework along with a Tactical Plan to help achieve the set target of Ksh. 1 trillion in annual remittances by 2027.

2. Purpose of the assignment: The purpose of this consulting assignment is to:

- 2.1 Understand the current remittance practices and behavior of the Kenyan diaspora.
- 2.2 Map the current channels, purpose etc. exercised by the diaspora.
- 2.3 Capture the expectations and unfulfilled needs of the Kenyan diaspora.
- 2.4 Map the existing ecosystem of facilitating remittances – policies, taxes, fee structures, available instruments etc.
- 2.5 Map and understand the policies, taxes, and fee structure of countries attracting significantly higher remittances.

3. Scope of Work and Terms of Reference (ToR)

The consulting firm is expected to:

- 3.1 Carry out a Baseline Survey on remittances.
- 3.2 Carry out a detailed as-is analysis.
- 3.3 Carry out a peer review of other higher remittance receiving countries.

3.1 Baseline Survey:

- 3.1.1 Carry out a ‘statistically valid survey’ to capture the voice of the Kenyan Diaspora in key overseas locations on current patterns in remittances, channels used, purpose of remittances, concerns by the diaspora as well their expectations etc.
- 3.1.2 Design and develop the survey instruments – primarily the questionnaire.
- 3.1.3 Undertake detailed analysis of the data, segmented in relevant groups.

3.2 As-is Analysis:

- 3.2.1 Detailed analysis of the current prevailing landscape / ecosystem facilitating diaspora remittances, covering policies, structures, channels, costs, taxation etc.
- 3.2.2 Review of all investment instruments available for diaspora to consider for investment grade remittances: stock exchange, bonds, funds, insurance, banking products, real estate etc.
- 3.2.3 Engage and conduct interviews with various Ministries and State Agencies including Ministry of Foreign and Diaspora Affairs, The National Treasury, State Department for Investment Promotion, Central Bank of Kenya, Kenya National Bureau of Statistics, Kenya Investment Authority, Insurance Regulatory Authority, Capital Markets Authority, Council of Governors, African Institute of Remittances, representatives of the Kenyan

Diaspora, Development Partners, the Private Sector and any other relevant stakeholders.

3.2.4 Hold Focus Group Discussions (FGDs) with various State Agencies / Stakeholders.

3.3 Peer Review

3.3.1 Carry out a detailed peer review in at least 2 countries which have a track record of attracting higher diaspora remittances. These could be jointly agreed between SDDA and the consulting firm.

4. Deliverables

4.1 Inception report:

4.1.1 Overall work plan and approach, mutually agreed with all stakeholders.

4.1.2 Target countries for baseline survey and peer review.

4.1.3 Overall approach and methodology including target groups, sampling technique, data collection, and data and information analysis.

4.1.4 Proposed outline and organization of the Baseline Survey Report

4.2 The Baseline Survey Report (inclusive of comments from stakeholder workshops).

4.3 The 'As-is' Analysis Report (inclusive of comments from stakeholder workshops).

4.4 Peer Review Report.

5. Duration of the assignment and payment milestones

5.1 Timelines:

5.1.1 The assignment is for a fixed period of 120 working days and will commence immediately after the signing of the contract. The Consultant is expected to work within the set timelines.

5.2 Payment milestones:

5.2.1 Mobilization : 20%

5.2.2 Inception report : 20%

5.2.3 Baseline Survey Report : 20%

5.2.4 Benchmarking Study Report : 20%

5.2.5 As-is Analysis Report : 20%

Payment will be inclusive of Consultants' Daily Subsistence Allowance, transport and any other expenses incurred while travelling out of duty station.

6. Role of Management Team

The Management Team headed by the Principal Secretary, State Department for Diaspora Affairs will:

- 6.1 Hold a briefing meeting with the consultant;
- 6.2 Review and approve the Inception Report;
- 6.3 Prepare an introductory letter for consultants;
- 6.4 Review the First drafts of Baseline Survey Report + 'As-is' Report + Peer Review Report and circulate to stakeholders for comments;
- 6.5 Hold the first stakeholders' workshop;
- 6.6 Hold a validation workshop;
- 6.7 Print and publish the various reports;
- 6.8 Launch the reports; and
- 6.9 Disseminate the Reports.

7. Administrative Arrangements

The Principal Secretary, State Department for Diaspora Affairs will be responsible for approval of the final report(s) before printing and publishing.

The Director, Savings, Investments and Remittances Division, under the guidance of the Management Team will be responsible for:

- 7.1 Guidance throughout all phases of execution of the assignment;
- 7.2 Review of all deliverables and onward submission to the Management Team for approval;
- 7.3 Printing and publishing of the reports;
- 7.4 Sharing the recommendations with various stakeholders; and
- 7.5 Monitoring and tracking of the implementation of the recommendations by various stakeholders.

8. Reporting

The Consultants will report to the Director, Savings, Investments and Remittances Division.

9. Qualifications and Experience

The firms submitting proposals should demonstrate that they can mobilize and deploy multiple skills simultaneously, necessary to undertake the range of tasks set out in the Terms of Reference – advisory, research, taxation and financial modeling. These skills should be based in Kenya.

The project leader must have a strong understanding of all the aspects as described above and should personally lead the project and undertake accountability of the quality of delivery. He / She must have a strong global knowledge and at the same time be extremely familiar with the Kenyan eco-system. As this is a highly strategic project for enhancing diaspora remittances, it is expected that a senior project leader must dedicate enough time.

A firm that does not have all the expertise for the assignment in-house may associate with another firm to provide the full range of the required expertise. However, any associating firm can associate with one firm only (i.e., be a member of only one consortium). Proposals by a firm associating with more than one firm will be rejected.

9.1 Technical Evaluation of the Proposal

The Evaluation Committee appointed by the procuring entity shall evaluate the proposals based on their responsiveness to the Terms of Reference, applying the evaluation criteria as follows:

	Evaluation Criteria		Criteria Total
1	Firm level competency		
a.	Global network – easily accessible to the project team.	10	20
b.	The consulting firm must be registered with Registrar of Companies in Kenya	2	
c.	Range of service lines or practices addressing the technical requirements as per the Terms of Reference	5	
d.	Financial Capability ~ Please attach certified audited accounts for the last 3 Financial Years	3	
Subtotal: 20			
2	Skills of the project delivery team leaders		
a.	Project Leader: <ul style="list-style-type: none">• Must have minimum relevant experience of 10 years.• Master’s degree in management or economics or related fields.• Must demonstrate cross-border and cross-functional expertise.• Proven track record in strategic planning, financial modelling, strategic alliances, and structuring.• Proven track record of mobilization of foreign investments, private equity, and debt, with references.• Demonstrable experience of fund management and understanding of the various investment structures.	15	45

	<ul style="list-style-type: none"> Must have a strong understanding of the Kenyan / Eastern African business environment – opportunities and challenges. Must be based in Kenya while delivering this project, to engage with all the stakeholders. 		
b.	Public Sector Expert: <ul style="list-style-type: none"> Must have minimum relevant experience of 10 years. Master's degree in management or economics or public policies or related fields. Must have a demonstrable understanding of the functioning of the public sector in Kenya. Should be able to guide on the probable solutions and structures within the legal framework of the country. Must have a good understanding of the various departments and the inter-departmental relationships. Strong understanding of the functioning of National Treasury and related Departments, to structure recommendations acceptable as per the Kenyan public & private financial system. Must be conversant with the Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda. 	15	
d.	Tax Expert: <ul style="list-style-type: none"> Must have minimum relevant experience of 10 years. Hold a CPA-K or FCPA Strong understanding of the Kenyan Tax structures. Must be conversant with diaspora, investments and remittances and statutory implications. Good understanding of the international taxation, transfer pricing, capital gains and foreign investments. Must have the ability to ensure compliance with all tax protocols. 	15	
Subtotal: 45			
3	Methodology and Plan of Work		
a.	<ul style="list-style-type: none"> The consultancy firm must demonstrate, based on its methodology, its ability to achieve the stated objectives and deliver as per the Terms of Reference. The firm must demonstrate its capability with sample templates, models, and structures. 	30	30
Subtotal: 30			
5	Extended Support		
a.	Mechanism to monitor the progress and continued advisory framework.	5	5
Subtotal: 5			

	TOTAL	100
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