

TERMS OF REFERENCE

DEVELOPMENT OF AN AFRICA GENDER BOND TOOLKIT

1. Introduction

There has been an increased focus on gender lens investing (GLI) globally and the debt capital markets have substantially contributed to GLI efforts via sustainable bonds and/or sustainability-linked bonds. Gender bonds is a sub-set of thematic bonds that is used to mobilise long term capital for gender empowerment initiatives.

Gender bonds uptake started off rather slowly from 2013. Nonetheless, they are gaining momentum with 13 global issuances as of March 2020 according to the [Viability of Gender Bonds in SSA: A Landscape Analysis and Feasibility Assessment](#)-a study conducted by FSD Africa in conjunction with UN-Women. Following the conduct of this study, gender bonds have been slowly gaining momentum on the African continent. In December 2021, Morocco issued Africa's first gender bond raising about USD 20million through the Banque Centrale Populaire (BCP) via a private placement. An issuance in Tanzania followed closely after in February 2022, through NMB Bank Plc (Jasiri Gender Bond) which raised approximately USD 32million. More recently (August 2022), Barloworld Limited, a South African car dealer and supplier of equipment to the mining industry went to market aiming at raising 1billion rand (c. USD61 million), the nation's first sale of a sustainability-linked bond with gender-diversity targets. The targets are linked to increase in female representation in leadership and increase in discretionary spend on procurement from black women-owned suppliers.

To raise awareness and enhance regional demand for gender bonds, there is need to develop an Africa focused Gender Bond Toolkit which is expected to be a contextualized guide to potential public and private sector gender bond issuers and investors. The gender bonds to be covered would include both use of proceeds bonds and sustainability linked bonds for sovereigns and corporate issuers. This is part of a two-year initiative to be implemented in three phases i.e:

- i. toolkit development and dissemination
- ii. capacity building through deployment of a virtual training module; and
- iii. technical support for two (2) consequent demonstration transactions (gender bond issuances)

This toolkit will be useful to both potential issuers and investors on the continent, providing clear guidance and support for gender bond issuance intended to address the financing gap for African women's businesses. The intervention will also build awareness about the complexities of ensuring impact, working to deliver demonstration transactions which have real economy value and are not "pink washing" exercises.

To facilitate uptake of the toolkit, an online training module will be developed and used during planned dissemination events (in Kenya, Nigeria and Zambia). In addition, the launch events and training sessions shall provide a good pipeline development opportunity to identify potential gender bond issuers for transaction support.

2. Background

This is a joint effort between FSD Africa, the FSD Network CoPro, UN Women and BII.

2.1 Financial Sector Deepening Africa (FSD Africa)

Established in 2012 and supported by UK aid, FSD Africa is a specialist development agency working to build and strengthen financial markets across sub-Saharan Africa. It works to reduce poverty

through a ‘market systems development’ approach, which means we aim to address the structural, underlying causes of poverty by improving how financial market systems function.

FSD Africa believes that investing in building a financial system that is transparent, stable and accessible creates the conditions for a fair and sustainable future, where inequality is reduced, corruption is tackled, and where individuals, businesses and governments alike are able to prepare for future challenges, from climate change to political instability.

From FSD Africa’s headquarters in Nairobi, and its team of financial sector experts work alongside governments, business leaders, regulators, and policy makers to design and build ambitious programmes that make financial markets work better for everyone. Depending on the project, FSD Africa can provide a combination of grants, investment capital, market insights or technical assistance to ensure it achieve our objectives.

FSD Africa’s work focuses on where the need is greatest, and where it believes the potential for impact is the most significant. It has a specific mandate to invest in breakthrough, innovative ideas that can have a transformative impact. By sharing risk with its partners, FSD Africa is able to address more difficult, persistent, or higher-risk challenges, in more unstable or fragile geographies, than traditional development finance organisations.

More details about FSD Africa are available here - www.fsdafrica.org.

2.2 FSD Network Collaborative Programme (FSD Network CoPro)

The FSD Network Gender Collaborative Programme aims to incorporate gender into Financial Sector Deepening entities in the African region (FSD) operations and strengthen FSDs’ capacity to produce systemic gender impacts. In addition, it is enhancing the gender knowledge and implementation skills of important market actors, such as service providers and policymakers, in order to sustain systemic change. Together with partners, the programme is striving to remove the policy, regulatory, infrastructure, service delivery, and norms-related challenges that impede women from fully benefiting from the expansion of financial access in their respective countries. The FSD Network CoPro is funded by the Gates Foundation.

The FSD Network is a family of Financial Sector deepening programmes seeking to build diverse and inclusive financial systems across Africa that enhance the financial resilience and sustainable livelihoods for all and enable inclusive growth. More details about FSD Network are available here - [FSD Network - FSD Africa](#)

2.3 UN Women

UN Women is the United Nations’ entity dedicated to gender equality and the empowerment of women. The entity recognizes the importance of collaborating and cooperating with partners to achieve its mission and strategic objectives. Aligned with the United Nations’ Financing for Development agenda, UN Women plays a critical role to identify credible projects, initiatives and partnerships that can increase capital flows towards SDG 5. This includes working with market participants to set standards, providing capacity building to partners in the public and private sector, and convening key stakeholders to raise awareness about and advance financing for gender equality.

For more information, visit www.unwomen.org

2.4 British International Investments (BII)

BII is the UK's development finance institution and impact investor with a mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. BII invests to create more productive, sustainable and inclusive economies in Africa, Asia and the Caribbean, enabling people in those countries to build better lives for themselves and their communities.

For more information, visit [Development Finance Institution - British International Investment \(bii.co.uk\)](https://bii.co.uk)

2.5 FSD Africa/UN Women/BII Collaboration

FSD Africa and UN Women's collaboration is guided by a Memorandum of Understanding (MoU) entered into on 21st February 2023 that aims at collaborating on different initiatives which spearhead/support activities that promote uptake of gender bonds and gender-lens investing. Both have the potential to make a real impact, by helping to fund women-led businesses and elevating the role of women in the economies of Africa.

FSD Africa and BII have a common funder, UK aid, and work collaboratively on several initiatives aimed at promoting gender and green bond issuances by financial institutions in the Africa region.

3. Objectives and Scope

3.1 Objective

The main objective of this engagement is to develop a Gender Bond Toolkit with Africa focused reference material and case studies. The toolkit is aimed at potential gender bond issuers, financial institutions, local and regional institutional investors, funds and arrangers.

Development of the Africa Gender Bond Toolkit presents the following opportunities:

- Deepening understanding of gender bonds and Africa's potential to mobilise more capital to bolster women's empowerment initiatives.
- Increasing market knowledge among global investors, DFIs, issuers and other market players in gender lens investing. This shall provide a better understanding of the potential, opportunities and barriers for gender bond issuances in Africa.
- Increasing the partners' influence and voice in championing gender empowerment initiatives in Africa; and an opportunity to further collaborate with like-minded stakeholders such as DFIs, governments, regulators and various private sector players.
- Leveraging on the toolkit training and dissemination events to identify a pipeline of issuers of gender bonds.

3.2 Scope

- Development of the Gender Bonds Toolkit and Africa focused reference documents on gender bonds and case studies (in both English and French) with technical input from the partners
- Development of a training module to be used when rolling out the toolkit in various locations in the region as detailed in the dissemination plan (see below). The training module will be based on the toolkit content, targeted to the toolkit beneficiaries detailed in clause 3.1 above. This would include a slide deck to train users on how to navigate and implement the

toolkit that can be used and delivered by them and/or other facilitators with the aim of increasing uptake of the toolkit

- Participate and/or facilitate the launches of the Gender Bond Toolkit in selected countries i.e., Nigeria, Kenya and Zambia
- Reporting on outputs and outcomes at the end of the project

3.3 Dissemination Plan

This proposed plan for the dissemination of the Gender Bond Toolkit is to ensure that beneficiaries that the project seeks to effect are reached, and the cascading impact of the toolkit to stimulate women's economic empowerment is achieved. We also plan to leverage on the dissemination events to network with potential issuers of gender bonds as part of transaction pipeline development.

Successful dissemination of the Gender Bond Toolkit will ensure:

- Visibility of the Gender Bonds Toolkit across Africa and the partners' markets/geographies as a legitimate framework to enable gender bonds issuances
- Users understand how to implement the toolkit with confidence that it will deliver the desired outcomes

Outputs

	Target Audience(s)	Location(s)	Resource required
Launch events and in-person training sessions	Key players - potential issuers of gender bonds, financial institutions, investors, impact funds, BII investees, transaction advisers Other DFIs TBD Other funders TBD	1. Nigeria 2. Kenya 3. Zambia	Appropriate location and venue for the launch Representatives from supporting organisations Consultant and/or event host
Online Webinar Series (to follow in-person sessions)	Potential issuers of gender/social/sustainability bonds, local institutional investors, BII investee funds and other funders from the wider market, transaction advisers	2-3 webinars with targeted audiences	2-3 people to deliver the trainings

3.4 Toolkit Content

The Toolkit shall comprise the following information (this list is not exhaustive):

Definitions and Standards for Labelling Gender Bonds
<ul style="list-style-type: none"> • Taxonomies = gender bonds definitions: 'What is considered a gender bond?' • Voluntary benchmarks: ICMA's Social Bond Principles, Sustainability Bond Guidelines & Sustainability-Linked Bond Principles, and ICMA's Practitioner's Guide to Using Sustainable Debt for Gender Equality.

<ul style="list-style-type: none"> • An overview of the support of gender bonds in Africa by FSD Africa - this should include case studies of the kind of support provided to date and lessons learnt. • Second party opinions - definition & process. • Further breakdown of the use of proceeds, KPIs and SPTs (in reference to the Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality) and annual reporting requirements.
Gender Bonds Market Overview
<ul style="list-style-type: none"> • Introduction to gender Bonds: Basic market trends with a historical perspective, supporting organisations & good practices. • Case Studies and stories from issuers, investors, and service providers (with a focus on frontier/emerging economies in Africa - i.e., Morocco, Tanzania, South Africa Developments in Africa and the opportunities for gender bonds with an analysis of unique specifics of the African capital markets and gender equality objectives and priorities.
Gender Bonds Framework (incl. A Project Selection Process)
<ul style="list-style-type: none"> • Advising on how to set up a gender bond framework that will clearly define the objectives for issuing a gender bond, including internal management & processes, key performance indicators or tracking of use of proceeds, and reporting methodology. • Defining a project selection process, which involves inter-departmental engagement, definition of roles and responsibilities, and references for project selection (either pegged on existing country specific guidelines or voluntary guidelines such as the ICMA Social Bond Principles, Sustainability Bond Guidelines & Sustainability-Linked Bond Principles)
How to do a Portfolio Review for Gender Bonds Issuances
<ul style="list-style-type: none"> • How to assess eligible projects, initiatives and businesses that qualify to benefit from a gender bond. • What are the indicators and metrics required? Various sex disaggregated indicators (either qualitative or quantitative/both) also exist and can be used to reflect improvements in levels of gender empowerment. These indicators may be used to reflect improvements in women's access to goods and services, level of empowerment, and, where applicable, shifts in attitudes and perceptions. They include: Joint Impact Indicators, 2X Criteria, Transparency and Accountability Framework of the UN WEPs, and SDG Indicators. • How to build a gender bond programme based on portfolio review. For instance, will the proceeds be used in women-led, or women owned enterprises? or/and do the enterprises promote workplace equity? or/and do the enterprises offer products or services that substantially improve the lives of women and girls. Alternatively, the portfolio review could evaluate set key performance indicators (KPIs) and sustainability performance targets (SPTs) such as number or percentage of women across all levels of leadership in the enterprise or in specific leadership roles with low representation (board, management, other leadership), size of the gender pay gap among leadership, retention rate for women leaders, availability of policies and processes that prevent and address gender-based violence for all employees, volume of procurement purchases from women-owned or led or gender-responsive suppliers etc. Refer to the Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality for additional details.
Reporting
<ul style="list-style-type: none"> • Post issuance reporting (by way of an allocation and impact report) in line with use of proceeds as defined in the bond framework and key performance indicators (KPIs). Ongoing reporting requirements. • Impact monitoring methods: outcome harvesting techniques and impact measurement, including through the involvement of independent reviewers and beneficiaries.
Library of Resources and Reference Materials
<ul style="list-style-type: none"> • Provide a collation of reference materials for further research by potential toolkit users. The material may include: Sustainability Bond Guidelines (ICMA), Sustainability-Linked Bond Principles



(ICMA), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (UN-Women & ICMA), 2X Criteria, 2X Green Toolkit, Report on the Viability of gender bonds in sub-Saharan Africa (FSD Africa & UN-Women), Standards Guidance for the SDG Impact for Bond Issuers, and any other relevant materials.

4 Timelines and Deliverables

The Consultant is expected to execute the following deliverables within the timelines as tabulated below:

	Key Deliverables	Timelines
A	An inception meeting report detailing the proposed methodology and approach, project plan, documents to be reviewed, and stakeholders to be interviewed	One (1) week after signing of the contract
B	Draft Gender Bond Toolkit	Six (6) weeks after signing of the contract
C	Final Gender Bonds toolkit having considered the partners' input	Nine (9) weeks after signing of the contract
D	Development of Online Gender Bonds Training Module (including User Acceptance Tests (UAT) and Training Slide Deck	Fifteen (15) weeks after signing of the contract
E	French translation of the toolkit	Twenty (20) weeks after signing of the contract
F	French translation of the training module and Training Slide Deck	Twenty four (24) weeks after signing of the contract
G	Launch events and training workshops (in 3 locations - Lagos, Lusaka & Nairobi)	Within a six (6-month period after partner acceptance of the Toolkit and training module (precise dates to be agreed)
H	Submission of a project closure report highlighting key issues raised, and lessons learnt.	Two (2) weeks after the final training event

5. Invitation to Tender

FSD Africa is inviting proposals from suitably qualified Consultant (s).

Your proposal should contain:

- CV of the Consultant (s) not exceeding 3 pages.
- A summary of your experience in providing the kind of technical support called for in these Terms of Reference
- A description of your understanding of the role of the selected Consultant (s) as outlined in the Terms of Reference and how you intend to fulfil the services within the suggested timeline.
- Samples of other work to demonstrate capacity to carry out the assignment.

- An estimated budget for both professional fees and reimbursable expenses-Refer to Annex 1

Submitted proposals should not exceed 10 pages (excluding annexures). The review will be based on the main proposal. This should be sent by email to FSD Africa at bids@fsdafrica.org by 1200hrs, (East Africa Time), on **23 June 2023** under a subject line reading 'Invitation to tender: **Development of an Africa Gender Bond Toolkit**'. Applications received after the deadline will not be considered.

6. Basis of award

FSD Africa will award a contract to the consultant (firm or individual) based on the following criteria:

Mandatory requirements	
A degree in Economics, Business, Sustainable Finance or equivalent, with at least 7 years relevant experience	
Demonstrated familiarity and experience in gender lens investing from an emerging or frontier market perspective and with a good understanding of African financial markets	
Demonstrated capacity to engage intensively with this assignment, with a view to concluding the work within the stipulated timelines	
Firm/individuals must have the experience in managing and executing complex projects involving multiple stakeholders against tight deadlines	
A track record in delivering similar capacity building/training projects in other jurisdictions	
Expertise in audio-visual content development i.e., ability to breakdown technical concepts to non-technical audiences	
Ability to support launch & training events within the Africa region i.e. Nigeria, Kenya and Zambia	

Assessment criteria		Weighting (%)
Experience	The firm/individual shall demonstrate the ability and experience to deliver in the assignment outlined in this Terms of Reference (evidenced by previous similar assignments on gender lens investing and/or gender bonds advisory work, client references etc.)	30%
Skills and qualification	The lead consultant shall have a degree in Economics, Business, Sustainable Finance or equivalent, with at least 7 years relevant experience.	30%
	Have a team with demonstrable good understanding of sustainable finance and gender lens investing with an understanding of African financial markets	
Methodology	Consultants must demonstrate a clear and concise understanding/interpretation of the task set out in the TORs.	20%

Assessment criteria	Weighting (%)
Most economically advantageous.	<p>Fee basis and total costs will be computed as follows:</p> <p>FS = 20% x LB/BP where:</p> <p>FS = is the financial score</p> <p>LB = is the lowest bid quoted</p> <p>BP = is the bid of the proposal under consideration.</p> <p>The lowest bid quoted will be allocated the maximum score of 20%.</p> <p>Fee quoted must be inclusive of applicable withholding tax</p>
Total	100%

7. Contact

Questions or comments in respect of these terms of reference should be directed by email to: bids@fsdafrica.org and be received no later than 1200hrs, (East Africa Time), on 06 June 2023. Responses and clarifications will be provided by 1700hrs, (East Africa Time) on 09 June 2023 through the same advertisement channels.

8. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the Consultant after withholding the appropriate taxes at the applicable rate between Kenya and the Consultant's country of tax residence, considering any tax treaties in force. It is the responsibility of the Consultant to keep themselves apprised of these applicable taxes. The below table however provides guidance on the applicable rates as per tax regimes

Country	WHT Rate
Kenya	5%
United Kingdom	12.5%
Canada	15%
Germany	15%
Zambia	20%
India	10%
Non-resident rate for citizens of EAC member countries (member countries attached)	15%
All other countries	20%

Annex 1: Proposed Fee Schedule

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes.

Consultancy fees*	Days	Fee USD/GBP	Total USD/GBP
xx			
xx			
Total remuneration			0.00
Reimbursement costs**	Unit	Cost USD/GBP	Total USD/GBP
xx			
xx			
Total reimbursement cost			0.00
Total proposed costs			0.00
<i>*Fees incl of all taxes</i>			
<i>**Expenses to be reimbursed on actual costs as per FSD Africa's travel policy</i>			