



TERMS OF REFERENCE

NAME OF PROJECT: INCORPORATING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) IN SMES BUSINESS MODELS PROGRAM

CALL FOR EXPRESSION OF INTEREST: TRAINERS FOR INCORPORATING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ESG IN SMES BUSINESS MODELS PROGRAM

Closing date: 05/02/2024

Contact:

**The General Manager,
Agriculture Sector Network (ASNET)
P.O Box 46826 -00100
Nairobi, Kenya
Email: info@asnet.or.ke**

1. About ASNET

ASNET is the umbrella body of the agriculture sector in Kenya. It was formed through a partnership of KEPSA, KNCCI, KAM, SDG Partnership Platform of the United Nations with support from BAF, Elgon Kenya Limited, like-minded business associations, partners and other stakeholders. ASNET membership is drawn from Business associations across all value chains in the agriculture sector, Corporates, MSMEs, Academia & research, NGOs, Finance, Cooperatives and Farmers (both smallholder and large scale).

ASNET's key role is to coordinate agriculture sector actors in Kenya through various mechanisms to engage in policy advocacy and value chain development that promote increased productivity, competitiveness and attracts investments into the agriculture sector.

ASNET's strategic issues are anchored on best practices in organizing and coordinating private sector actors both regionally so as to guide ASNET towards accomplishing its mandate and realizing its overall objective through partnerships in an effort to transform and revolutionize the agriculture sector by focusing on its core functions that include:

- Enhance sector-wide coordination of the often-fragmented agriculture sector
- Lead in policy advocacy for a competitive and enabling business environment
- Capacity building of associations/BMOs in the sector
- Forge greater collaboration and partnership with the national and county governments, development partners, sector associations, international and regional institutions
- Partner with the government to fast-track implementation of sector flagship programs (e.g. ASTGS, Big 4 Agenda)
- Support the generation and maintenance of relevant research data.

2. Background

In addition to widely recognized mandatory and voluntary global standards, the Environmental Social and Governance (ESG) requirements are increasingly becoming important for access to financing and markets. The ESG uses standard criteria to evaluate and demonstrate the sustainability performance of an organization and its relationship to ecology and society. The ESGs are used to screen investments based on corporate policies and to encourage companies to act responsibly. ESG, therefore, means taking measures to lower pollution, CO₂ output and reduce waste and conservation of ecology. It also speaks to how an organization manages social relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with an organization's leadership, executive pay, audits, internal controls and shareholder rights, aspects that should essentially be managed responsibly as well.

ESG may be costly and time-consuming to undertake but can also be rewarding in the future for those that carry it through. The audit and the reporting of ESGs helps businesses monitor their progress and communicate to their consumers, investors, and business partners that they're serious about sustainability.

Many importers in the western countries are now procuring products and services from companies or businesses that employ ESG principles. Germany passed the [Supply Chain Due Diligence Act](#) which became effective in January 2023. The European Union Corporate Sustainability Due Diligence Directive (CSDDD) phased-in approach agreed by the EU member states expects that the new rules will apply to EU and non-EU (with turnover generated in the EU) companies having €300 million net worldwide turnover and having more than 100 employees. Both laws require companies to undertake due diligence alongside their supply chain to ensure compliance with the Environment and Social Governance (ESG) by all actors. It, therefore, becomes important to prepare the Kenyan companies exporting to the EU for compliance, to avoid disruptions in the businesses in future. Recently, negotiations on the [Economic Partnership Agreement \(EPA\) between Kenya and Europe](#) were concluded. This is an indication that economic and business opportunities between Kenya and EU are expected to increase significantly.

The EU is the largest destination for Kenya's exports accounting for about KES 170 billion (USD 1.3 billion) and Kenya exports various agricultural products such as tea, coffee, cut flowers, peas beans manufacturing among others. The implementation of the laws is going to impact many export-oriented supply chains with repercussions upstream for example Tea, Coffee, Horticulture, and other value chains. Agricultural exports also account in total for 65% of all export earnings making it an important area for Kenya to safeguard and ensure continued access to the markets.

To align with these expectations, ASNET shall mobilize the network in the export business specifically exporting companies, potential exporters and local Companies and build their capacity in line with our strategic objectives for compliance so that the Kenyan export market can remain competitive.

Below are the **specific project objectives**:

- To learn characteristics of German Supply Chain Due Diligence Act and the EU Corporate Sustainability Due Diligence Directive (CSDDD)
- To strengthen technical understanding of the business due diligence obligations.
- To prepare SMEs to anticipate and deal with challenges of implementing Human Rights and Environmental Due diligence (HRDD) in their companies.
- To evaluate the past performance and future potential of SMEs to meet the requirements of the German (and European) importers/buyers.

3. Target groups

The participants will be drawn from eexporting companies, potential exporters and local companies in the tea, coffee and macadamia, fruits & vegetables, flowers, mining/blue economy, and manufacturing. In addition to the companies, National Horticulture Taskforce members and at least 2 suitable candidates from business organizations in East Africa will be selected as multipliers Training of Trainers (ToT)

On the management level, the professionals listed below would be targeted.

- Heads of sustainability, supply chain, compliance departments and related executives.
- Business owners, and entrepreneurs representing SMEs.
- Any other professionals willing to upgrade their skills in due diligence.

The trainings will be conducted on value chain base as follows:

1. Tea, coffee and macadamia,
2. Horticulture (fruits & vegetables, flowers)
3. Mining/blue economy,
4. Manufacturers and textile

4. Scope of the Assignment

ASNET aims to support the industry in addressing capacity gaps on ESGs and globally recognized standards through a 9-month capacity building program targeting more than 300 beneficiaries for E-training in Kenya and other East African countries. As such, ASNET is seeking the services of independent consultants to undertake a comprehensive training of exporters, potential exporters on ESG policies in Kenya, Uganda and Tanzania.

Specifically, ASNET is seeking for **Consultants** who will be expected to undertake **ANY** of the following trainings:

No.	NAME OF THE TRAINING	No. of Days	Month of training
1	Food safety standards, quality assurance and sourcing;	One day	May 2023
2	Operations, Procurement, Logistics: <i>Improving transportation and logistics efficiency.</i>	One Day	June 2024

The scope for the consultancy will include but not limited to:

- a) Conducting a day training for any of the topics above. Each training will have physical and virtual participants.
- b) Generate a consultant report on the Training Needs Analysis in order to prioritize on ESG capacity-building interventions.
- c) Conduct a Post training assessment. These will provide a reality check to the members on their current ESG situation.
- d) Share a training manual/or curriculum to be used for training.
- e) Submit a training comprehensive report for each session
- f) Issue a training certificate to the participants.

5. Expected Deliverables

- i. An inception report as per the TORs/scope of work.
- ii. Training schedule and materials
- iii. A Post-training assessment analysis brief.
- iv. List of participants trained both virtual and physical.
- v. Final comprehensive report.

6. Expected Outcome

1. Market expansion to Germany and Europe
2. Reduced supply chain disruptions
3. Improved working conditions for workers
4. Improved ecological conditions along supply chains
5. Developed or mainstreamed company ESG policies

7. Approach and Methodology

The consultant will propose the methodology for carrying out this assignment.

8. Submitting Proposals/ Expression of Interest

ASNET is requesting interested consultants to submit proposals to respond to this Terms of Reference. The consultant is expected to demonstrate the skills and experience outlined below (or equivalent):

- i. A Master's degree or equivalent degree in the related field;
- ii. A minimum of 5 years' relevant experience;
- iii. The consultant should demonstrate evidence of previously undertaking a similar assignment (share sample reports);
- iv. Proven track record working with membership associations;
- v. Being a registered member of ASNET will be an added advantage.

9. Proposal content

Statutory Requirements: Upon request, the individual consultant should provide all required legal documents as may be required by Kenyan law.

9.1 Technical Proposal Requirements: The Technical Proposal should include the following details:

- A detailed profile of the consultant(s), demonstrating years of experience in operations as a consultant in the required field;
- Details of a similar assignments, with a focus on technical advisory services on government institutions, public relations, trade law and/or border relations;
- A description of the proposed approach and methodology including, (i) the individual consultant's understanding of the objectives of the assignment, (ii) the

approach to be taken to deliver the services, and (iii), the proposed work plan which includes the main activities of the assignment, their content and duration, milestones and report delivery dates; and.

- Technical capacity of the individual consultant.

9.2 Financial Proposal Requirements: The following are the financial proposal requirements:

- A detailed breakdown of both the proposed fees for the consultancy services and any reimbursable costs;
- All the prices should reflect the different types and utilization of resources as envisaged by the consultant;
- The Financial Proposal should incorporate prices inclusive of all taxes; and.
- All prices shall be in Kenya shillings.

10. Payment schedule

Since this is a short-term consultancy, ASNET will make a one-off payment upon satisfactory completion of the assignment.

11. Proposal/Expression of Interest Submission Process and Timeline

Proposal/Expression of Interest should be submitted to winnie@asnet.or.ke and copied to gm@asnet.or.ke, by **February 05, 2024 at 1700 hours EAT**. Only shortlisted applicants will be contacted.