



REQUEST FOR EXPRESSION OF INTEREST TO PROVIDE CONSULTANCY SERVICES TO REVIEW KENYA DEPOSIT INSURANCE CORPORATION (KDIC) COVERAGE LIMIT TO ENHANCE PUBLIC CONFIDENCE AND FINANCIAL STABILITY

TENDER NO. KDIC/EOI/01/2023-2024

CLOSING DATE: 8th APRIL 2024 AT 10:00AM

NAME OF THE PROCURING ENTITY: KENYA DEPOSIT INSURANCE CORPORATION

ASSIGNMENT OR CONTRACT TITLE: CONSULTANCY SERVICE TO REVIEW KDIC COVERAGE LIMIT TO ENHANCE PUBLIC CONFIDENCE AND FINANCIAL STABILITY

Reference No: KDIC/EOI/01/2023-2024

1. The Kenya Deposit Insurance Corporation (*KDIC*) intends to shortlist consultants to provide consulting services (the Services) for **review of Kenya deposit insurance corporation (KDIC) coverage limit to enhance public confidence and financial stability.**

Coverage limit refers to the maximum amount protected by the deposit insurer per person per bank in the event of a bank failure. This amount is re-imbursed to depositors by the insurer immediately a bank is placed under liquidation. This coverage limit is set and aligned with the public policy objectives, of promoting public confidence and contributing to financial stability. According to the IADI guidelines, this limit should protect majority of the retail depositors in insured institutions while leaving a significant portion of the value of deposits unprotected to mitigate against moral hazard.

The coverage limit influences the optimal Fund Size or size of the target fund for resolution purposes. The KDI Act section 28 establishes that KDIC “shall insure each deposit placed with an institution, provided that the maximum amount payable to a customer in respect of the aggregate credit balance of any deposit accounts maintained by the customer with the institution shall not exceed five hundred thousand shillings or such higher amount as the KDIC may from time to time determine”.

The coverage limit was set at Ksh. 100,000 in 1989 and reviewed to KES 500,000 in recognition of decline in real value over time to Kenyan depositors. The coverage limits as set in KDI Act applies to all banks in the Deposit Insurance system. However, there is need to review the coverage limits on a regular basis in order to take into account inflation, changes in real income, the composition and size of deposits, additional funding requirements, and other factors that could affect the public-policy objectives of the Deposit Insurance system (IADI:2013).

The service provider will carry out research on the coverage level and scope in the banking sector in Kenya with a view to determine the adequacy and optimality of coverage limit and scope of deposit products.

The selected service provider will:

- (a) Provide detailed disaggregated deposit products in the banking industry
- (b) Assess the adequacy of the current coverage limit, and;
- (c) Determine the optimal coverage level and;

This assignment is expected to be completed within two (2) months for research and reporting.

2. The KDIC now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria required for qualifications and experience of the firm are:
 - (i) Experience in the assignment, including technical and managerial capability of the firm.
 - (ii) Number of years in business working on the area of the assignment.
 - (iii) Reference to at least three assignments of similar nature and size carried out in the last five (5) years that include persons or institutions and contact addresses (phone, email) who can be contacted on the same.

In addition, EOI from qualified and eligible bidders must be accompanied by the following documents:

- i. Company profile.
 - ii. Certificate of business incorporation/ registration.
 - iii. An up-to-date KRA tax compliance certificate
3. The attention of interested Consultants is drawn to the following provisions that will be highlighted in the Request for Proposals to be issued to shortlisted firms.
 - (i) The Consultant will be expected to have no conflict of interest with other assignments or its own corporate interests and acting without any consideration for future work.
 - (ii) The consultant has no personal or business relationship with the Procuring Entity's senior management or professional staff.
 - (iii) A firm or an individual in the firm has not been sanctioned by the Public Procurement Regulatory Authority or are under a suspension or a debarment imposed by any other entity of the Government of Kenya, or any international organization.
 - (iv) Government-owned enterprises or institutions of Kenya Government, officials and civil servants and employees of public institutions may not eligible.
 4. Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

5. A Consultant will be selected in accordance with the Quality Cost Based Selection (QCBS) method set out in the Act and Regulations.

6. Further information can be obtained at the address below during office hours from **8:00am to 5:00pm**

Name of Procuring Entity: Kenya Deposit Insurance Corporation (KDIC)

Contact Person/Official: Chief Executive Officer.

Telephone number: +254 709 043 000 or +254 020 667 7000

Email Address: procurement@kdic.go.ke or customercare@kdic.go.ke

Postal Address: P.O. Box 45983-00100, Nairobi, Kenya.

Physical Address: 16th Floor UAP Old Mutual Towers, Upper hill.

7. Expressions of interest must be delivered in a written form to the address below in person and dropped in the tender box on or before **8th April 2024 at 10:00am**

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