



**REQUEST FOR PROPOSAL**

**RFP/ 0265/TANZANIA/2020**

**CONSULTANCY TO SET A BASELINE ON:**

**REVERSE EXTENSION FOR BUILDING MARKET-DRIVEN CONSORTIA OF SMES  
AND FARMERS IN THE EAC**

**CLIENT: ALLIANCE FOR GREEN REVOLUTION IN AFRICA (AGRA)**

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**Disclaimer:** AGRA reserves the right to determine the structure of the process, number of short-listed participants, the right to withdraw from the proposal process, the right to change this timetable at any time without notice and reserves the right to withdraw this tender at any time, without prior notice and without liability to compensate and/or reimburse any party.

### Synopsis of the Request for Proposal (Individual Consultant (s))

Solicitation Reference No.	<b>RFP/0265/TANZANIA/2020</b>
Title of Solicitation	Consultancy to Set a Baseline on: Reverse Extension for Building Market-Driven Consortia of SMEs and Farmers in the EAC
Issuing Office & Address	Alliance for a Green Revolution in Africa (AGRA) Website: <a href="http://www.agra.org">www.agra.org</a>
Point of contact for clarifications, questions and amendments	AGRA General Procurement, <a href="mailto:Procurement@agra.org">Procurement@agra.org</a>
Email Address for submission of Proposals/ Quotes	AGRA General Procurement, <a href="mailto:Procurement@agra.org">Procurement@agra.org</a>
Solicitation Issue Date	June 5, 2020 East African Time.
Deadline for submission questions and clarifications	June 9, 2020 12:00 PM, East African Time.
Deadline for Answering questions and clarifications	June 10, 2020 12:00 PM, East African Time.
Deadline for Submission of Proposals	June 18, 2020 12:00 AM, East African Time. <b>Please include the subject line “RFP/0265/TANZANIA/2020” of the email</b>
Anticipated Award Type	<b>CONSULTANCY AGREEMENT</b>
Submission and Evaluation Criteria	<p>Bidder must provide the below listed information</p> <p><b>Mandatory Eligibility Requirement</b></p> <ul style="list-style-type: none"> <li>• Must be an Individual consultant</li> <li>• CV of Consultant</li> <li>• Sample reports of similar assignments done</li> <li>• Three reference letters</li> </ul> <p><b>Technical Evaluation Criteria</b></p> <ol style="list-style-type: none"> <li>i. Consultant Academic Qualification-20%</li> <li>ii. Technical Approach and methodology- 30%</li> <li>iii. Consultant Past Experience-40%</li> <li>iv. Work Plan-10%</li> </ol> <p><b>NB. The minimum technical score shall be 75%. Only the best candidate shall be engaged for financial negotiations.</b></p>

**Terms of Reference**  
**Consultancy to Set a Baseline on:**  
**Reverse Extension for Building Market-Driven Consortia of SMEs and Farmers in the EAC**

**Background and Introduction**

- 1) The Alliance for a Green Revolution in Africa (AGRA) is working with African Governments, International Development Organizations, the Private Sector, and Smallholder Farmers - in a partnership for inclusive agricultural transformation in Africa. One critical goal is to build **Resilient and Competitive Food Systems that Drive Food and Income Security** for the smallholder farmers and operators of businesses along the value chain from farm to consumers.
- 2) The Africa Agricultural Status Report (AASR) published in 2019, provided a robust analysis of the role of SMEs, (which it dubbed the “hidden middle) in the food systems of Africa (AGRA, 2019). Findings and conclusions of the report shows that the SMEs are in fact the key players, since:
  - Eighty percent (80%) of food consumed in Africa reach the final consumers through trade by SMEs; and
  - About 96% of the trade in food is domestic with only 4% exported.
- 3) In its recommendations, the AASR called for a greater recognition and investment to enhance the role of SMEs in driving the food systems of Africa. A similar call was made in 2018 by FAO and GAIN by emphasizing increased efforts to leverage the SMEs to improve food and nutrition security. The report presented evidence of how SMEs play a significant role in getting healthy food to the consumers (FAO & GAIN, 2018). The SMEs being referred to here are those which are doing business with respect to:
  - i) Post-harvest handling and storage (warehouses and silos)
  - ii) Value addition processing,
  - iii) Trading (wholesale and retail), and
  - iv) Transportation.
- 4) Since 2017, AGRA has been investing to **catalyze and sustain** inclusive agriculture transformation in Africa by **increasing incomes and improving food security** for 30 million **smallholder households** in Africa and to support countries on a pathway to **attain and sustain an agriculture transformation**.
- 5) At its 38th Extra-Ordinary Meeting of the EAC Council of Ministers, held in January 2019, the EAC approved its Regional Agricultural Investment Plan (RAIP) with the following priority areas (EAC, 2019):
  - i) Regional agricultural production and food supply;
  - ii) Enhancing food utilization;
  - iii) Promoting agribusiness, value addition and Agro-industry;
  - iv) Promoting sustainable natural resource use and management and;
  - v) Strengthening capacities of EAC regional agricultural institutions.
- 6) Effective **Linking of farmers to markets** in ways that value and ensure consistent profitability for farmers, is critical to delivering the Goals of both AGRA and the EAC. The key question “HOW?” remains to be answered.
- 7) A recent assessment of the status of commercialization of smallholder farming systems, Kahuro and Ndiame (2020), concluded that:
  - i) *Smallholder farmers already operate in a market system, but typically they reap few rewards.*

- ii) *Commercialization is about enabling them to use their resources (chiefly land and labor) more formally and efficiently as participants in well-organized value chains (VCs).*
  - iii) *NGOs, governments, agribusinesses and other upstream actors can all play a part in achieving this. However, piecemeal efforts to address specific aspects of farmers' productivity and/or market participation within a small part of a VC are unlikely to deliver sustainable results.*
  - iv) *The most successful approach to commercializing smallholders locates them within the entire market system.*
- 8) Given the significant role of SMEs in food handling, processing and trade, they play a vital role in linking SHFs to markets. However, this role is only partially recognized and used in developing and coordinating value chain partnership.
- 9) Therefore, the purpose of the work described in this Call, is to establish roles that SMEs can play through **Reverse Extension**. This extension starts with knowledge packages on market demand and preferences. The aim is enhance the understanding by the farmers of the quality, quantity and timely delivery expected by the market. This knowledge then drives the farmers' plan for production and post-harvest handling. Certainly, agricultural development projects, including the Consortia supported by AGRA have worked with SMEs, but most of the attention is directed at direct extension to SHFs by NGOs; value chain partnership with suppliers of inputs, and then SMEs on the market side invariably come last. Therefore, the aim is to study the hypothesis that value chain partners led by market-acting SMEs would deliver better the rewards for the SHFs they collaborate with in the value chains with down-stream linkages to markets and up-stream linkages to supply of inputs.

### **Objectives of Assignment**

- 10) The main focus of the study in to establish:
- i) The Extent to which Market-Acting SMEs are investing in developing structured partnerships with SHFs;
  - ii) The extent to which the process of these partnerships use reverse extension driven by market information and commercial services;
  - iii) The extent to which past and on-going value chains development initiatives of AGRA and others have supported SMEs on this aspect;
  - iv) The high priorities of those SMEs in in terms of providing leadership in market-driven value chain development
  - v) The most preferred development support to enable those SMEs to enhance their leadership without distorting the market.

### **Scope of Work**

#### **11) TASKS**

**Task 1: Desk Review and Mapping of SMEs** (see definition on para 3 above), to produce baseline of the current situation in terms SMEs roles in building inclusive value chains. Specifically:

- i) Use existing data from different sources (*Ministry of trade, licensing board, Chambers of Commerce; Private Sector Associations, AGRA*), to establish the population of market-acting SMEs that are involved in value chains of key food staples in the EAC. Then categorize these SMEs define the sampling frame. Then establish a representative sample that is sufficient to study the five items listed in para 10.
- ii) Design detailed research questions for gathering necessary and sufficient data, given the nature and categories of SMEs as established as described in para 11 above.

**Task 2: Virtual data collection both secondary and primary data against the sample**

- i) Key Informant Interviews
- ii) Focus Group Discussions with sampled SMEs to explore their attitudes towards reverse extension
- iii) Individual case studies through in depth discussions with sampled SMEs
- iv) Stakeholder consultations

**Task 3: Analysis and report writing**

- i) Clean and process the data
- ii) Generate the draft report and share with AGRA

**Task 4 - Final report after our comments**

- i) Organize a virtual meeting with AGRA to discuss feedback and include feedback before finalizing the report
- ii) Submission of Final report to AGRA.

**12) The engagement process**

- a) **How to apply:** Applicants will be reviewed for their interpretation of the assignment, proposed approach and qualifications of the consultant or consultancy team.
- b) **Consultant's qualifications:** **THE** consultant shall be selected based on their proven experience, qualifications and ability to deliver a quality product in a timely and efficient manner.
- c) **Reporting Obligations:** **THE** consultant will primarily report to the AGRA Regional Head for East Africa
- d) **Period of Performance:** The period of performance for this subcontract is anticipated to be approximately 2 months. The assignment is expected to commence on or before June 2020 to August 2020.
- e) **Payment :** Payment will be made based on the assignment delivery as follows:
  - i) **Inception Report:** 20% of contract value will be paid to the selected consultant, upon delivery of the inception report/implementation plan, after contract signing.
  - ii) **Draft Report:** the consultant will be paid 40% of contract value after submission and acceptance.
  - iii) **Final Report:** 40% of contract value will be paid to the consultant, after the submission of final report,

**13) Any other important information**

The data collected is the property of the Alliance for a Green Revolution in Africa (AGRA). The Consultant may not distribute the data or use the data for their own research, commercial, or other purposes. The Consultant must delete all copies of the data from their systems within one month of completion of the project.

**14) Evaluation Criteria for Selection of Consultant**

**Technical Proposal**

The consultant shall be selected on the basis of their proven experience, qualifications and ability to deliver a quality product in a timely and efficient manner. The consultant's proposal shall be evaluated based on the consultants

Evaluation Criteria	Sub criteria/Description	Evaluation Score
Technical Approach	<p><b>Maximum 5 pages,</b> A description of the approach of execution which the consultant proposes to undertake</p> <ul style="list-style-type: none"> <li>• Methodology proposed for the assignment (including tools proposed for the assignment)</li> <li>• An understanding of the assignment expectation</li> <li>• Similar studies previously conducted,</li> <li>• High-quality of the proposal</li> <li>• Please provide a minimum of two concrete samples of similar work done for other organizations)</li> </ul>	30%
Consultant (s) Past Experience	<p><b>Lead Consultant</b></p> <ul style="list-style-type: none"> <li>• The consultant should have a minimum experience of 5 years in enterprise development, organization and institutional development in the agribusiness sub-sector</li> <li>• Proficient in business diagnosis, strategic management, business modelling and structuring</li> <li>• Demonstrate understanding and competencies in management of smallholder farmers enterprises and private sector actors</li> <li>• Fluency in English/Kiswahili</li> </ul> <p><b>Additional Personnel</b> Consultant may propose additional key personnel to undertake the assignment, a summary resume(s) of key staff who will work on the AGRA account shall be provided</p> <p><b><i>Curriculum vitae and certificates must be attached</i></b></p>	40%
Consultants Academic qualification	<p>Post graduate degree in agriculture economics, economics, strategic management, marketing, cooperate governance</p> <p><b><i>Academic Certificates of the consultant must be attached.</i></b></p>	20%
Work Plan	Proposed workplan in calendar weeks in undertaking of the assignment	10%
	<b>Total</b>	<b>100%</b>

### Proposal submission

Taking into account the TOR, the candidate should submit a proposal containing the following elements:-

- Understanding of the assignment
- Outlining past experience of the firm/ consultant (Please provide a minimum of two concrete samples of similar work done for other organizations)
- Methodology proposed for the assignment (including tools proposed for the assignment)
- Work plan that includes clear timelines for the assignment
- Consultancy fee for undertaking the assignment and budget breakdown

## **Financial Proposal**

**FINANCIAL PROPOSAL** must be supported with a breakdown analysis and will provide the following information, but is not limited to:

- a. Professional fees chargeable
- b. Breakdown of the fees and disbursements
- c. Price must be quoted in US Dollars (USD)
- d. All applicable taxes (withholding taxes) shall be included. If the financial proposal is silent on taxes, AGRA shall assume that these are inclusive;
- e. Financial proposal shall be valid for a period of 60 days from the date of bid closure
- f. Financial proposal shall be sent as a separate attachment and **MUST** password protected

## **HOW TO APPLY**

### **Submission**

- Proposals **MUST** be submitted **via email** to AGRA General Procurement: [Procurement@agra.org](mailto:Procurement@agra.org) on or before the deadline indicated on the synopsis of the RFP
- All bidders **must** use the RFP reference number in the subject line of their email submission.
- Technical proposal and Financial proposal shall be submitted as separate attachment.
- Neither technical nor financial proposals should exceed 10MB. The proposal with any subsequent modifications and counterproposals, if applicable, shall become an integral part of any resulting contract.
- Proposal must be provided in English Language

## **DISCLAIMER**

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## **References**

AASR, 2019

FAO & GAIN, 2018

EAC, 2019

Kahuro, O. and F. Ndiame (2020) [in: Islamic Development Bank Group. (2020). Inclusive Growth: Making Value Chains work for Smallholder Farmers. Jeddah, Kingdom of Saudi Arabia; ISBN: 9960-32-345-5]