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**REQUEST FOR PROPOSAL**

**RFP-119 - HAPA -2022**

**CONSULTANCY TO SUPPORT THE ASSESSMENT AND REVIEW OF THE AGRICULTURE CREDIT ACT (2010) OF ZAMBIA**

**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**

|  |  |
| --- | --- |
| Solicitation Reference No. | **RFP-119-HAPA -2022** |
| Title of Solicitation | Consultancy to Support the Assessment and Review of The Agriculture Credit Act (2010) Of Zambia |
| Issuing Office & Address | Alliance for a Green Revolution in Africa (AGRA)  Website: [www.agra.org](http://www.agra.org/) |
| Location of the Assignment | Zambia |
| **Eligible Firms** | **Zambian-based firms** |
| Point of contact for clarifications & questions | AGRA General Procurement,  [Procurement@agra.org](mailto:Procurement@agra.org) |
| Email Address for submission of Proposals/Quotes | AGRA General Procurement,  [Procurement@agra.org](mailto:Procurement@agra.org) |
| **Solicitation Issue Date (Re-advertisement)** | January 20th, 2023 |
| Confirmation of Interest to bid for the consultancy | Interested consultants/bidders are requested to register on the link below by close of business January 27th, 2023. Any additional communication will be shared with those that will have registered on the link below.  For Registration Link click: **[HERE](https://forms.office.com/r/vksmZR0XFZ)** |
| Deadline for submission of questions and clarifications | January 30th, 2023 |
| Deadline for Answering questions and clarifications | February 1st, 2023 |
| Deadline for Submission of Proposals | February 6th, 2023, 5:00PM, East African Time.  **Please include the subject line “RFP-119-HAPA-2022” of the email.** |
| Type of Consultant | Consultancy Firm |
| Anticipated Award Type | **Consultancy Agreement** |
| Selection Method | **Quality Based Selection (QBS)** |
| Submission and Evaluation Criteria | **Mandatory Eligibility Requirement:**   1. Company profile. 2. Trading license or Certificate of incorporation or Certificate of Registration. 3. Tax clearance certificate (Applicable to firms registered in Kenya, Rwanda, Ghana, Tanzania, and Mozambique). 4. Three reference letters of similar work carried out. 5. CVs of key personnel.   **Evaluation Criteria**   1. Organizational Capacity …..................................................10% 2. Experience in similar assignments………….……………………….25% 3. Proposed approach, methodology and workplan…...........25% 4. Experience and qualifications of key personnel …..............40%   **Total: …................................................................................100**  **NB.**   1. **Minimum technical pass mark is 75%** 2. **AGRA will negotiate with the firm that attains the best technical score above 75%.** |

1. **Background**

AGRA is an African-led, African-based not-for-profit organization founded in 2006. AGRA’s mission is to catalyse an agricultural transformation in Africa through, innovation-driven, sustainable, productivity increases and access to finance that improves the livelihoods of smallholder farmers. Working with African governments, the private sector, civil society institutions, and development partners in the African agricultural landscape, AGRA is committed to catalysing agricultural transformation needed to accelerate the achievement of the Malabo Declaration commitments and related indicators from the Comprehensive Africa Agriculture Development Programme (CAADP), the Sustainable Development Goals, and Africa’s Agenda 2063.

1. **The Hub for Agricultural Policy Action (HAPA)**

Across African countries today, there is a need for better, more timely use of evidence, and more targeted approaches, to improve the quality of policymaking by African governments specifically to overcome policy constraints and structural blockages to agricultural transformation. This need has been recognized by the African Union, which calls for analytical support mechanisms to enhance the use of evidence in policymaking. AGRA responds to this gap by working through the Hub for Agriculture Policy Action (HAPA) to provide consolidation and translation advisory services to governments seeking to reform, refine, and/ or develop a more clearly defined policy direction.

The approach recognizes the urgent need for timely policy support to the agriculture sector, which plays an important role in ensuring inclusive growth. It also recognizes the demands for political expediency and the need to ensure that a particular policy direction is anchored in evidence.

1. **Rationale**

Agricultural financing remains one of the critical enablers for smallholder farmers to facilitate poverty reduction, enhance food and nutrition security, and create both wealth and employment through agriculture. In the case of Zambia, access to agricultural credit and finance for smallholder farmers is still in undersupply, especially from commercial sources. Smallholder farmers are the most financially excluded group within agriculture. If this undersupply (lack of access) is left unaddressed, the attainment of earlier alluded to developmental ambitions by smallholder farmers are currently long-drawn-out.

In retrospect, agriculture plays a crucial role in the development of the Zambian economy. This is because, 70% of the population is dependent on agriculture. Most of the formal sector credit to the agriculture sector flows to large commercial farms, whereas small and medium-scale farmers still depend primarily on informal sources for credit.

It is imperative that access to financial services and products for smallholder farmers is made more accessible and readily available. To ensure that this was realized Government enacted the Agriculture Credit Act in 2010. The Act sets out to establish the Warehouse Licensing Authority and provide for its functions and powers: Facilitate the borrowing of money on the security of charges created on farming stocks and other agricultural assets; Provide for the registration of charges; Provide for the certification of warehouses; Provide for the issuance and negotiations of warehouse receipts and the rights conferred by warehouse receipts; Provide for the rights and obligation of warehouse operators. Notwithstanding, the implementation of the Agriculture Credit Act of 2010 has been marked with several challenges. To enlist but a few of these challenges – extremely low awareness levels amongst large grain traders and processors; misalignment in the legislation governing WRS such as the Agricultural Credit Act (ACA) of 2010 and the Securities Act of 2016; Currently, ZAMACE’s trading of warehouse receipts is illegal under the Securities Act 2016 as it designates a WR as a financial instrument; and unclear strategy for smallholders’ inclusiveness in WRS.

The Ministry of Agriculture of Zambia has requested AGRA’s technical assistance to help assess and review the National Agriculture Credit Act of 2010 to ensure that the issues of credit access for small scale farmers and other critical enablers have policy direction. The review of the policy will assist in identifying gaps that will need M&E indicators. Further, the gaps in credit access that would need a legal framework could be identified in the review of the NAP.

1. **Objectives of the Consultancy**

The main objective of this assignment is to review and analyze the Agricultural Credit Act of 2010 and its implementation and document its impact on agro-trade systems and the economy, and provide recommendations on areas that need to be reformed. The specific objectives of this assignment are highlighted below:

1. Conduct an analysis of the existing policies and legal frameworks, and other instruments related to credit and finance that provide a legislative environment for the Agriculture Credit Act of 2010.
2. Review the Operational Plan/Strategy of the Agriculture Credit Act of 2010 through the Warehouse Receipt System (WRS) to identify the policy gaps and challenges.
3. Review international and regional instruments (policies, legal, regulations, laws and frameworks) which are best practices for the implementation of the Agriculture Credit/Finance and consequently the Warehouse Receipt System (WRS).
4. Determine the optimal capacities and stocking trends of the WRS through the Warehouse Licensing Authority (WLA).
5. Develop a framework that estimates the demand of the WRS which would in turn minimise wastage in the WRS.
6. Provide a brief review of the Strategic Food Reserve (SGR) in Zambia and institutions related to the running and improvement of the Strategic Food Reserve functionality.
7. Evaluate various economic, operational, and financial models for sustainability of the WRS and recommend the most optimal one for adoption by the Ministry.
8. **Deliverables**

The main deliverables for this assignment are highlighted below.

1. Inception report with detailed workplan, methodology, tools for review, desk review and a draft preliminary analysis.
2. Assessment and Review Report
   1. Gap Analysis of the existing policies, legal, regulations, laws, frameworks, and other instruments related to credit and finance that provide a legislative environment for the Agriculture Credit Act of 2010.
   2. Gaps and challenges of the Operational Plan/Strategy of the Agriculture Credit Act of 2010 through the Warehouse Receipt System (WRS).
   3. Global and regional best practices of the implementation of the Warehouse Receipt System (WRS).
3. Legislative Report that synthesises deliverable i), ii) and iii) and bridges the policy gaps and challenges and also beget recommendations aimed at improving the functionality, efficiency, and sustainability of the Zambia’ WRS in line with global best practices.
4. Analysis Report of the Optimal Capacities of the SGR
   1. Framework that estimates the demand for the SGR and minimise wastage.
   2. Economic, operational, and financial models for sustainability of the SGR.

All deliverables should be succinct but informative, and key points should be easily understandable to the Ministry of Agriculture and other stakeholders. Deliverables should be submitted in English and submitted in MS word.

1. **Implementation Methodology/Approach**

The work will involve robust and inclusive consultations, involving a range of stakeholders. Secondary data and information will enrich the study by providing additional context to the findings. In addition, it will entail reviewing existing literature and publicly available documents related to the strategic food reserve system in the country. The consultant in collaboration with HAPA and MoA will develop a detailed approach/methodology to deliver on each of the objectives outlined above.

1. **Duration of the Assignment**

The work will be conducted over a period of 4 months and the consultant shall explicitly indicate the level of effort needed for the tasks to be assigned.

1. **Institutional Arrangement and Reporting**

In carrying out this assignment, the consultancy firm will be supervised directly by AGRA represented by the Head of HAPA Unit or his designate, and the Permanent Secretary in the Ministry of Agriculture in Zambia or his designate.

1. **Key Qualifications and Experience Required**

The consultancy firm shall:

1. Demonstrate experience in carrying out similar assignments.
2. Propose a lead consultant with strong demonstrated knowledge and experience of WRS operations and management. The consultant should have a good understanding of the seasonal variation in commodity production and commodity marketing systems in the different regions of Zambia in particular, and Africa in general.

Specifically, the Lead Consultant should have the following requirements:

1. A minimum of a Master’s degree in Agricultural Economics, Economics, Social Sciences, Finance and business management or related field.
2. At least 10 years of international experience in programme management, Agricultural and Rural Development Sector in Africa.
3. Experience working with multi-donor projects and similar Warehouse inventory work.
4. Good knowledge of warehouse/silos management and stock control system especially for strategic reasons as in emergency management among others.
5. Deep and wide knowledge of the Zambia commodity credit and marketing systems in the different regions of the country and at the international level.
6. Ability and experience with agricultural statistics and market analysis, and economic model development, including linear programming.
7. Ability to professionally interact at high levels of Government.
8. Strong written, verbal communication, and presentation skills.
9. Previous experience of conducting a similar assessment will be required.

The Associate Consultant (s) should, specifically, have the following requirements:

1. A minimum of a BSC degree in Agricultural Economics, Finance, and Business Management or related field.
2. Should have a combination of the following skills and experiences spanning a minimum of 5 years of experience and expertise in:
   * Food and nutrition security reserve management,
   * Agricultural statistics and market analysis,
   * Economic model development,
   * Training and capacity building
   * Good analytical skills and able to use statistical programmes such as STATA
   * Conversant with the use of excel for data management
3. **Evaluation Criteria**

Interested firms shall be evaluated against the following technical criteria:

* 1. **Organizational Capacity ….........................................................................................10%**

Company profile, company accreditations and certifications.

* 1. **Experience in similar assignments …….....................................................................25%**

i. Detailed reference list indicating the scope and magnitude of similar assignments carried out

* 1. **Proposed approach, methodology and work plan....................................................25%**

Understanding of the project/assignment requirements, practicality of the proposed methodology relative to the context of the assignment, proposed work plan, staffing schedule, risk assessment and mitigation strategies integrated into the assignment, planning, appropriateness of the implementation schedule to the project timelines and project quality assurance measures.

* 1. **Experience and Qualification of key personnel…......................................................40%**

**Total Score…...................................................................................................................100%**

**Note:**

* Minimum technical score – 75%
* Selection Method – Quality Based Selection (QBS)

1. **Copyright**

All materials / documents arising out of this consultancy work shall remain the property of AGRA.

1. **Application Submission Requirements**
2. **Technical proposal**
   * 1. Company profile, Certifications and accreditations.
     2. Proposed Methodology, approach and workplan with clear timelines.
     3. Detailed reference list indicating the scope and magnitude of similar assignments carried out.
     4. Proposed key staff, their roles including their CVs, academic and professional certificates.
     5. The technical proposal **shall not exceed 10 pages.** CVs, copies of academic certificates and other supporting documentation may be attached as annexes.
3. **Financial Proposal**
4. The firm shall provide a financial proposal for carrying out the assignment. The breakdown of unit and total fees per person (for each proposed consultant) shall be provided. Use the templates provided under Annexes A, B and C for the financial proposal. You may modify them where necessary.
5. Reimbursable costs if applicable shall be quoted separately. These will be reimbursed based on actual cost incurred.
6. Professional fees shall include the applicable withholding tax.
7. VAT shall be quoted separately and is only applicable to firms registered in the following countries (Kenya, Tanzania, Rwanda, Ghana and Mozambique).
8. If the financial proposal is silent on taxes, AGRA shall assume that these are inclusive.
9. Prices **must** be quoted in **USD ($).** Contracting will be in USD and bidders are encouraged to have a USD bank account.
10. The financial proposal shall be sent as a separate attachment and **MUST be password protected.**
11. **Guidelines for Preparations and Submission of Proposals**
12. The Proposals shall be prepared in English Language.
13. The proposals SHALL be submitted to [**procurement@agra.org**](mailto:procurement@agra.org)**by the deadline indicated in the synopsis**.
14. The technical proposal **shall not exceed 10 pages.** CVs, copies of academic certificates and other supporting documentation may be attached as annexes.
15. The proposal and ALL Attachments submitted via email **SHALL NOT exceed 10MB**.
16. VALIDITY of the proposal shall be for a period of 90 days from the date of bid closure.
17. Financial proposal shall be sent as a separate attachment and **MUST be password protected. The password shall be requested from the firm that attains the best technical score above 75%.**

**ANNEX A: FINANCIAL PROPOSAL FORM FPF-1 SUMMARY OF COSTS**

|  |  |
| --- | --- |
| **DESCRIPTION** | **AMOUNT IN USD** |
| 1. **Professional Fees[[1]](#footnote-1):** |  |
| 1. **Reimbursable Costs e.g.:**  * Communication * International travel * Local Travel * Accommodation |  |
| **Total Assignment Cost (Exclusive of VAT)** |  |
| **VAT (Only applicable to firms registered in Kenya, Tanzania, Rwanda, Ghana, Mozambique)** |  |
| **Grand Total (inclusive of VAT)** |  |

**Note: Payments and contracting will be made in USD**

**ANNEX B: FINANCIAL PROPOSAL FORM FPF-2 BREAKDOWN OF REMUNERATION**

*When used for Lump-Sum contract assignment, information to be provided in this Form shall only be used to demonstrate the basis for the calculation of the Contract’s amount; to calculate applicable taxes at contract negotiations; and, if needed, to establish payments to the Consultant for possible additional services requested by AGRA.*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **A. Remuneration** | | | | | | | | |
| **No.** | **Name** | **Position** | **Daily Remuneration Rate** | **Time Input in Man-days** | ***Currency*** | **USD** | ***Total USD cost*** | |
|  | **Team Leader/Lead Consultant** |  |  |  |  |  |  |  |
| **K-1** |  |  | **[*Home*]** |  |  |  |  | |
|  | **[*Field*]** |  |  |  |  | |
|  | **Consultant (s)** |  | **Home** |  |  |  |  | |
| **K-2** |  |  | **Field** |  |  |  |  | |
|  |  |  |  |  |  |  |  | |
|  |  |  |  | **Total Costs** inclusive of withholding taxes |  |  |  |  |

**ANNEX C: FINANCIAL PROPOSAL FORM FPF-3 BREAKDOWN OF [REIMBURSABLE EXPENSES]**

*When used for Lump-Sum contract assignment, information to be provided in this Form shall only be used to demonstrate the basis for calculation of the Contract amount, to calculate applicable taxes at contract negotiations and, if needed, to establish payments to the Consultant for possible additional services.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **N°** | **Type of [*Reimbursable Expenses]*** | **Unit** | **Unit Cost** | **Quantity** | **{*Currency*}** | **Total value in USD** |
|  | ***{e.g., accommodation & meals\*\*}*** | **{Day}** |  |  |  |  |
|  | ***{e.g., International flights}*** | **{Ticket}** |  |  |  |  |
|  | ***{e.g., In/out airport transportation}*** | **{Trip}** |  |  |  |  |
|  | ***{e.g., Communication costs}*** | Lumpsum |  |  |  |  |
|  | ***{ e.g., reproduction of reports}*** | Lumpsum |  |  |  |  |
| **Total Costs** | | | | |  |  |

1. Professional fees should include all the applicable Withholding Taxes. [↑](#footnote-ref-1)