



**REQUEST FOR PROPOSAL  
RFP AGRA-NB-1281**

**CONSULTANCY FOR BUSINESS DEVELOPMENT SERVICES FOR ENHANCING THE  
CAPACITY OF SMALLHOLDERS PRODUCERS IN FINANCIAL LITERACY**

---

**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.

## Section 1: Synopsis of the Request for Proposal

a) Solicitation Reference No.	<b>RFP AGRA-NB-1281</b>
b) Title of Consultancy	Consultancy for Business Development Services for Enhancing the Capacity of Smallholders Producers in Financial Literacy
c) Eligibility	Consultancy firms legally registered in Kenya
d) Location of the assignment	Kenya
e) Type of Consultant	<b>Consultancy firm</b>
f) Issuing Office & Address	AGRA, Nairobi West End Towers, 4th Floor  Muthangari Drive, off Waiyaki Way   Nairobi <u>Website: <a href="http://www.agra.org">www.agra.org</a></u>
g) Point of contact for clarifications and questions	AGRA, General Procurement Email: <a href="mailto:Procurement@agra.org">Procurement@agra.org</a>
h) Bid Submission	Electronically via the AGRA Oracle SCM System.
i) Solicitation Issue Date	As per "Open Date" on AGRA's Oracle system
j) Date of pre-bid conference	4 <sup>th</sup> March, 2025  Interested bidders are requested to register on the link below by 1700 hours, March 3 <sup>rd</sup> , 2025. A Microsoft Teams link for the pre-bid meeting will be shared with bidders who will have registered.  <b>For Registration Link click: <a href="#">HERE</a></b>
k) Deadline for submission of questions and clarifications	5 <sup>th</sup> March 2025
l) Deadline for Answering questions and clarifications	7 <sup>th</sup> March 2025
m) Deadline for Submission of Proposals	As per "Close Date" on AGRA's Oracle System
n) Selection method	Quality and Cost Selection Method (QCBS)  Weightage: Technical – 80%; Financial – 20%

## **1. Introduction**

AGRA invites qualified consulting firms to submit proposals for a Consultancy for Business Development Services for Enhancing the Capacity of Smallholders Producers in Financial Literacy. This document outlines the requirements and guidelines for the submission of proposals.

## **2. Background**

AGRA is a not-for-profit organization working with African governments, other donors, NGOs, the private sector, and farmers to improve the productivity and incomes of resource-poor smallholder farmers in Africa. AGRA aims to catalyze an inclusive agricultural transformation in Africa by increasing incomes and improving food security for millions of smallholder farmers in Africa. For more information about AGRA, please visit [www.agra.org](http://www.agra.org).

AGRA in partnership with the Government of Kenya, International Fund for Agricultural Development (IFAD), Financial Sector Deepening-Kenya (FSD-K), Cordaid and other Partners are implementing a six-year Programme: Rural Kenya Financial Inclusion Facility (RK-FINFA) with the objective of increasing rural financial inclusion and green investments by agriculture value chain stakeholders.

As part of the Implementation of RK-FINFA, the Government of Kenya in collaboration with AGRA is seeking bids from qualified Technical Service Providers (TSPs) to implement the Technical Support and Innovation Services (TSIS) whose aim is to enhance the capacities of selected financial institutions, smallholder producers and allied agribusinesses to avail and increase the uptake of financial services and products under RK-FINFA. Successful applicants under this specific call for proposals will work under the direct supervision of AGRA to develop a plan for and engage in the capacity building of at least 15 rural SACCOS regulated under SASRA expected to participate in the implementation of the programme.

## **3. Overview of the RK-FINFA Project**

The Government of Kenya (GoK) and International Fund for Agricultural Development (IFAD) entered into a financing agreement on June 2, 2022, to fund a six-year development project, the Rural Kenya Financial Inclusion Facility (RK-FINFA). This project is a follow-on to the Programme for Rural Outreach of Financial

Innovations and Technologies (PROFIT) which piloted several financing models including, the wholesale to SACCOs, anchor borrower, and innovations in business development services for producer groups.

The Goal of RK-FINFA is “poverty reduction, climate change resilience and improved livelihoods in rural areas”. The Development Objective is “increased rural financial inclusion and green investments by agriculture value chain stakeholders, leading to equitable employment opportunities, innovative and resilient production systems, and increased incomes for smallholders, poor and marginalized rural households, women and youth”.

The project which has a nationwide coverage when fully operational will initially (for two years) be implemented in fourteen counties where at least two IFAD supported value chain projects are being or have been implemented. These 14 counties include: Kirinyaga, Nyeri, Embu, Machakos, Meru, Tharaka Nithi and Nakuru, in the Central and Eastern regions and Kisii, Siaya, Nandi, Trans Nzoia, Bungoma, Busia and Kakamega in the Western regions.

The project has three mutually reinforcing components outlined below:

**Component 1: Technical Support and Innovation Services (TSIS); with its subcomponents**

- i) Capacity building for rural outreach, and innovations
- ii) Business Development Services for Agribusinesses and Smallholders including financial literacy for Smallholders and business development services for MSMEs

**Component 2: Rural Investment Instruments**

- i) Rural Credit Guarantee Scheme R-CGS and
- ii) Green Financing Facility (GFF).

**Component 3: Enabling Rural Finance Policy Environment and Project Coordination.**

- i) Enabling Rural Finance Environment (digital innovations to reduce risk of lending to agriculture).
- ii) Programme implementation

## Technical Support and innovation Services (TSIS)-Component 1

- i. **Component 1:** Technical Support and Innovation Services (TSIS). This component is composed of two fully inter-linked sub-components, i.e. (i) strengthen Participating Financial Institution (PFI) capacities for innovation, rural outreach and green finance services in Kenya, and (ii) build MSME and smallholder sustainable investment capacities and financial literacy skills particularly tailored to reach women, youth and marginalized groups. The TSIS packages will support the PFIs in the implementation of the rural investment instruments, in line with each PFI's respective rural and agriculture finance strategy.
- ii. **Sub-component 1.1:** PFI Capacity Building for Rural Outreach and Innovation. The expected outputs of this sub-component are: (i) the capacity of five (5) participating commercial banks, six Micro Finance Banks and 30 Deposit Taking-SACCOs improved to provide rural and agriculture financial services including products tailored to reach 30 per cent youth and 50 per cent women; (ii) the capacity of all 41 PFIs built to implement and monitor green investment portfolios; and (iii) Environmental and Social Management Systems operationalized/strengthened by 41 PFIs.
- iii. **Sub-component 1.2:** Business Development Services for Agribusinesses and Smallholders. The expected outputs of this subcomponent are: (i) 1,500 small and microenterprises receive Business Development Services (BDS) and can submit bankable business plans; and (ii) 50,000 male and female smallholder producers receive financial literacy training including for preparation of simple business plans appropriate for SACCO/MFB loan applications. The BDS is a key tool for social inclusion targeting of RK-FINFA: minimum of 50 per cent women and 30 per cent youth are included among all BDS clients.
- iv. Both aspects of the TSIS, supply and demand side, will be embedded into the rural growth strategies of Participating Financial Institutions to foster sustainability and scalability and support the effective use of the resources provided through the project's Investment Instruments in component 2.

#### **4. Objectives of the assignment**

The objective of this assignment is to strengthen capacities of at least 25,000 smallholder producers in financial literacy and basic greening practises (demand side) to enhance their capacity to qualify for credit from the participating financial institutions (PFIs) – Savings and Credit Cooperative Societies (SACCOS) & Microfinance Institutions (MFIs) under the green financing facility (GFF).

The key technical support areas will be to expand the financial literacy skills of the small-scale producers and the usage of the PFIs services. The successful applicants under this specific call for proposals will work under the direct supervision of AGRA in the 7 counties<sup>1</sup> that AGRA is implementing the RK-FINFA Project in view of improving the financial literacy of farmers and their eligibility for green financing Facility (GFF) offered through MFIs and SACCOS & Rural Credit Guarantee offered through the commercial banks.

#### **5. Scope of Work**

The envisaged tasks for this assignment include:

- i. Validate and assess the capacity needs of small-scale producers organized in collective groups based on the initial information collected during the scoping exercise from the on-going and previous IFAD funded projects. The scoping exercise was conducted by AGRA, National Treasury and the PFIs. In instances where the information collected initially is not sufficient or unavailable, the TSP will collect additional information to support in determining the capacity needs of each producer group.
- ii. Design, prepare and customize training modules based on the specific needs of each producer group. Some of the training areas that could be covered in the modules are financial record keeping and bookkeeping; cash flow management, savings and managing finances; production costing and determining profitability; the financing and mechanisms of collective machinery ownership; How to use financial services including opening & operating a bank account; applying for loans and managing loan repayments. The training module should also have elements of embedding greening practices in their operations.

---

<sup>1</sup> Kirinyaga, Nyeri, Embu, Machakos, Meru, Tharaka Nithi and Nakuru

- iii. In close collaboration with the PFIs, ensure that the small-scale producer groups get an understanding of the lending products, how to apply for them and how the uptake can be improved through various capacity building initiatives so that the small producers are more able to prepare loan applications and assemble the required information. The borrowers can be groups or individually within the group.
- iv. Deliver the training modules at a venue and time that is convenient and accessible to the producer groups' membership considering the dynamics of each group such as lactating mothers, the disabled and the economic activity of each group to ensure inclusivity and safeguarding. The training delivery will be at a producer group level and will be available to all the members of the producer group.
- v. Coach and mentor the producer groups through regular check-ins on their governance, service offer and leadership dynamics such as:
  - Tapping on benefits such as economies of scale, produce consolidation, marketing and contract farming.
  - Adoption of financial literacy on managing group finances (including offering credit to members and moving towards group financial sustainability), production finance to buy inputs, trade finance (paying farmers in advance to deliver produce) and other financing mechanisms in structured markets.
  - Use of Capacity Performance Index (CPI): a diagnostic tool to determine a farmer group's capabilities. The groups can use it to assess their own progress even after the close of the project (enhancing governance including formal registration, representation, increasing membership and group dynamics and management).
  - Adoption of contract farming management: negotiating contracts with various parties (such as buyers).
- vi. Design, prepare and implement the capacity building plan to address the gaps and needs identified in the assessment/validation exercise including green farming practices and use of gender action learnings.
- vii. Support the development of knowledge management products in collaboration with AGRA and RK- FINFA Project Management Unit at the National Treasury.

- viii. Conduct monitoring, evaluation and reporting in alignment with the RK-FINFA M&E framework.
- ix. Implement women, youth and social inclusion strategies in the training sessions with a focus on equipping the smallholder producer groups with business development services and adequate financial literacy skills.

## **6. Complementarities with other projects**

The TSP is expected to work closely with projects that complement the objectives of RK FINFA, and to leverage on these activities to create synergies between RK FINFA activities and the on-going activities under IFAD funded projects and AGRA funded projects.

### **Cross-cutting themes to be mainstreamed in all project activities:**

- Gender, women and youth inclusion at a minimum of 50% for women and 30% for youth
- Environment and climate change adaptation and mitigation measures
- Scaling up and sustainability of project outcomes

The TSP will be expected to develop risk mitigation strategies, specific for risks related to women and youth in agriculture and for risks related to environment issues and climate change. The TSPs should ensure that approaches and services developed are sustainable and scalable.

## **7. Monitoring and Evaluation Framework**

The expected outcome of the TSIS business development and farmer financial literacy sub-component is to have 25,000 smallholder producers equipped and capacitated to access finance through the participating financial intermediaries so that more rural lending can take place in selected counties and value chains. More specifically the required outputs include:

- i. Building the financial literacy of 25,000 smallholder producers with 30 per cent being youth and 50 per cent being women, measured through a standardized performance assessment or rating tool and agreed upon monitoring and evaluation indicators.
- ii. Create awareness and build capacity of 25,000 smallholder farmers in greening their farm operations with 30 per cent being youth and 50 per



cent being women, measured by the adoption rate of climate smart practices.

- iii. 25,000 smallholder farmers trained and linked (through their groups) to access finance from the participating PFIs by being able to submit simple business plans that fit into the lending criterion.

## **8. Reports and schedule of deliverables**

- i. The TSP shall prepare and submit quarterly and annual progress reports to AGRA and reports of any workshop or training conducted in the formats agreed upon with AGRA.
- ii. The Consultant shall also submit the assessment reports and training materials and tools used for the delivery of trainings and the coaching of the farmer groups.
- iii. The TSP shall monitor the performance of the farmers and their groups in line with the agreed upon indicators to support the project implementation unit and supervision missions from IFAD.

## **8. Location and nature of the assignment**

The location of the assignment shall be in Kenya coordinated by AGRA and RK FINFA PMU. Within the first two years of the project, field activities will be conducted within the seven counties namely Nyeri, Embu, Meru, Tharaka Nithi, Kirinyaga, Nakuru, and Machakos, each of which hosts at least two IFAD supported value chain projects. Thereafter the geographic scope will expand to other rural counties in Kenya based on the demand for the financial services being provided by the project.

A minimum of 2 TSPs will be selected to do the capacity building of smallholder producers and will be distributed in the 7 counties to ensure that there is no overlap.

## **9. Duration**

The assignment is expected to be carried out over a period of 24 months.

## **10. Reporting, Communication and Coordination**

The project TSPs will work under the direct supervision and oversight of the AGRA and may be linked up with the RK-FINFA PMU for data collection purposes. The training sessions will be conducted at group level. This will involve training, coaching

and mentoring and will not just be one off sessions. Follow up sessions to review the progress and adoption of the activities will be a core of this assignment. The TSP is expected to deeply collaborate with a PFI working in the specific allocated County.

The consultant will report to AGRA's Head of Inclusive Finance, and the AGRA Country Director in Kenya. The reports will be submitted to AGRA's Head of Inclusive Finance.

## **11. Qualifications and Experience**

### **a. Organizational Experience and Capability**

1. Experience conducting similar work: Demonstrate a portfolio of at least 5 major projects in agricultural finance, financial literacy, or business development services, working with farmers, Bank, MFIs, SACCOs and AgriSMEs, especially in partnership with international development agencies.
2. Experience and deep working knowledge of the seven (7) counties of intervention.
3. Experience in backward and forward linkages: Evidence of linking financial service providers with the demand side of financial services after interventions such as financial literacy training, business plan development for MSMES, value chain integration, and green agricultural practices.
4. Expertise in knowledge management: Proven ability to develop training materials, knowledge products, and digital platforms that enhance capacity building for rural communities.
5. Track record in gender and youth inclusion: Success in implementing projects where 50% women and 30% youth participation has been achieved.
6. Legally registered in Kenya: A Kenyan-registered entity with compliance to local laws, tax obligations, and labor regulations. Legally registered in Kenya: A Kenyan-registered entity with compliance to local laws, tax obligations, and labor regulations.

### **b. Team composition**

The consulting firm will assemble a team of multidisciplinary professionals who have wide experience and competencies in the following fields:

- Agricultural Inclusive finance – Team Leader
- Farmer group management expertise

- Green and climate smart agriculture expert
- Monitoring and evaluation & Knowledge management
- Gender and Community Development Expert

The specific qualifications of the experts will be:

**Key expert 1: Team leader and inclusive finance expert**

- i. Master's degree in economics, finance, business administration or any related field.
- ii. Demonstrated experience in designing and implementing Inclusive Finance programs at MFI and SACCO level including developing financial literacy programs for smallholders.
- iii. Familiarity with Green Finance practices, value chain finance and digital finance products, to make financial services systems work for agricultural SMEs and smallholder farmers that are active in food crops and livestock value chains.
- iv. The expert should have a minimum of 15 years of experience in inclusive finance with hands-on experience with rural finance development services.

**Key expert 2: Farmer Group Management Expert**

- i. Master's degree in economics, finance or any related field.
- ii. Demonstrated experience in group training on financial literacy management and group dynamics, governance, regulation and management in the rural finance sector.
- iii. The expert should have a minimum of 7 years of experience in farmer capacity building development services with a heavy focus on financial literacy and producer groups' economic empowerment.

**Key expert 3: Green and Climate Smart expert**

- i. Bachelor's degree in agriculture, agricultural economics, agribusiness or any other related field.
- ii. Experience in the development of agricultural value chains and linkage to markets is desirable.
- iii. Knowledge of green investment practices at farmer level is mandatory.
- iv. This expert should have a minimum of 5 years in climate smart agriculture and greening practices in food systems.

**Key expert 4: Monitoring, evaluation and knowledge management expert**

- i. Master's degree in economics, development studies or any other related field.
- ii. Experience in monitoring, evaluation and knowledge management in development projects.
- iii. Practical knowledge of digital management information systems with good understanding of logical framework development and utilization.
- iv. This expert should have a minimum of 5 years in monitoring, evaluation and knowledge management.

**Key expert 5: Gender and Community development expert**

- i. Bachelor's degree in Gender studies, Community development or a related field.
- ii. Experience in gender analysis, gender mainstreaming, social inclusion and proficiency in designing inclusive programs for marginalized population.
- iii. Knowledge of gender equality, women and youth empowerment; Gender transformative approaches like Gender Action Learning system (GALS) methodology.
- iv. This expert should have a minimum of 5 years in inclusive development programming.

It is expected that the proposed team can demonstrate experience in green investments practices and financing for the project targets (smallholder farmers and rural MSMEs).

**12. Evaluation Criteria**

**a) Mandatory Requirements if firms are targeted:-**

- i) Company profile.
- ii) Trading license or Certificate of incorporation or Certificate of Registration
- iii) Valid Tax Compliance certificate
- iv) CVs of Key personnel.

## **b) Technical Evaluation Criteria Summary**

Interested firms shall be evaluated against the following technical evaluation criteria:

### **a. Organizational Experience in Similar Services (30%)**

- i) Company profile, background, size, mission, and history.
- ii) Company accreditations, certifications, industry standards, or formal recognitions relevant to the services.
- iii) Experience conducting similar work: Demonstrate a portfolio of at least 5 major projects in agricultural finance, financial literacy, or business development services, working with farmers, Bank, MFIs, SACCOs and AgriSMEs, especially in partnership with international development agencies.
- iv) Experience and deep working knowledge of the seven (7) counties of intervention.
- v) Experience in backward and forward linkages: Evidence of linking financial service providers with the demand side of financial services after interventions such as financial literacy training, business plan development for MSMES, value chain integration, and green agricultural practices.
- vi) Expertise in knowledge management: Proven ability to develop training materials, knowledge products, and digital platforms that enhance capacity building for rural communities.
- vii) Track record in gender and youth inclusion: Success in implementing projects where 50% women and 30% youth participation has been achieved.
- viii) Legally registered in Kenya: A Kenyan-registered entity with compliance to local laws, tax obligations, and labor regulations.

### **b. Proposed Approach, Methodology and Work Plan (30%)**

- i) Demonstrated Understanding of the ToR
- ii) Understanding of the project/assignment requirements, practicality of the proposed approach and 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.

**c. Qualifications and Experience of Key Personnel (40%)**

As outlined in section 12b above.

**NB:**

- Only Firms with the best technical proposal equal or above 75% shall be considered for financial negotiations.
- Weightage: Technical – 80%; Financial – 20%

**13. Copyright**

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

**14. Proposal Submission Requirements**

- a. Technical Proposal (see template in annex 1)
  - Technical submission letter
  - Detailed reference list indicating the scope and magnitude of similar assignments carried out
  - Approach and methodology to deliver on the scope of work
  - CVs of key personnel
  - Staffing schedule
  - Proposed work plan.
- b. Financial Proposal (see template in annex 2)
  - Financial submission letter
  - Detailed cost breakdown (including fees, taxes, etc.)
  - Proposed Payment schedule based on deliverables or milestones

**15. Payments**

**a. Invoices**

The consultant shall submit invoices to AGRA as per guidance provided in the contract. Payments are made upon AGRA's approval of deliverables, which must incorporate AGRA's comments.

**b. Reimbursable costs**

Reimbursable expenses, pre-approved by AGRA, must be invoiced with valid receipts. They will be paid with the consultancy fees if documentation is complete and satisfactory.

## 16. Proposal Submission Instructions

Proposals shall be submitted electronically through our oracle system by the deadline indicated in the system.

- i. Bidders shall use the bid submission forms that have been provided under Annex 1 & 2.
- ii. The proposals **SHALL** be submitted via oracle system by the deadline indicated on the **oracle system**.
- iii. The Proposals shall be prepared in **English**.
- iv. Late submissions will not be accepted, as the system is configured to automatically reject proposals after the deadline. To avoid any issues, especially for new users, bidders are strongly encouraged to submit proposals at least one day before the deadline.
- v. AGRA assures bidders that we can't access proposals before the deadline provided by the system.
- vi. **VALIDITY** of the proposal shall be for a period of **90 days** from the date of bid closure.
- vii. The detailed financial proposal shall be uploaded under the lines section in oracle.
- viii. The financial proposal shall include all taxes. If the financial proposal is silent on taxes, AGRA shall assume that these are inclusive.
- ix. Prices must be quoted in Kenya Shillings (KES) currency. Contracting will be in Kenya Shillings and bidders are encouraged to have a KES bank account.
- x. Please note that the oracle system will seal the financial proposals until the technical evaluation is completed.
- xi. All communications regarding the RFP should be directed to [procurement@agra.org](mailto:procurement@agra.org)

## 17. Contract template

Please refer to Annex 4 for the contract template.

## 18. Annexes

**Annex 1:** [FIRM- TECHNICAL PROPOSAL SUBMISSION FORM.docx](#)

**Annex 2:** [FIRM- FINANCIAL PROPOSAL SUBMISSION FORM \(KES\).docx](#)

**Annex 3:** **AGRA Partner code of conduct:** [LINK](#)

**Annex 4- Contract template:** [KE Consultancy Agreement \(Company\) .pdf](#)