

**REQUEST FOR PROPOSAL - TERMS OF REFERENCE FOR AFRICA AGRIBUSINESS WINDOW
ROUND TWO END OF PROGRAMME REVIEW
SEPTEMBER 2021**

1. Background

The Africa Enterprise Challenge Fund (AECF) transforms lives by providing investment funding and technical assistance to commercially viable businesses that improve the lives of rural communities. It mobilises donor funding to support early and growth-stage businesses in agriculture and renewable and clean energy sectors, with a focus on improving incomes and employment for rural and marginalized groups. It is a non-profit organization, with its headquarters in Nairobi and operational centers in Dar-es-Salaam and Côte d'Ivoire

2. About the Africa Agribusiness Window (AAW)

The Agribusiness Africa Window (AAW), the flagship programme for investing in agribusiness at AECF, comprises two rounds: Round 1 (financed by DFID and SIDA, and already completed); and Round 2 (funded by Global Affairs Canada (GAC) and Alliance for a Green Revolution in Africa (AGRA), the subject of this review). The total funding for Round 2 (AAW R2) is CAD 20 million with 15 million in co-funding from GAC and 5 million from AGRA. Of this, approximately CAN 12 million has been provided as investment financing to enterprises.

AAW R2 aims to address the challenge in accessing appropriate financing faced by many small and medium enterprises (SMEs) in the agribusiness sector in sub-Saharan Africa. The focus of the investment is on stimulating inclusive and innovative business ideas with the potential to increase productivity, employment, livelihood opportunities, and incomes amongst the poor.

Using a competition-based process to allocate matched funding of grants and loans, AAW R2 has invested in 19 enterprises in 11 countries¹, of which 10 remained active in 2021. In addition, AECF provides a range of technical assistance services to improve business performance and attract follow on investment financing. The investment window is expected to benefit 500,000 rural households, 60% of whose members are living on less than USD 2/day. The Program began on 11th November 2014 and is expected to close, following a no-cost extension, on June 30, 2022. The extension facilitated the completion of investment activities delayed by the Covid-19 pandemic including the provision of additional working capital financing (USD 1,280,000 of funding that had not been drawn down by investees) to support ten investees through the early stages of the pandemic.

The **Intermediate Outcome** of the programme is *Improved performance of Agribusiness in Africa in delivering increased employment, reduced costs and improved productivity in a commercially viable and sustainable fashion*. This is measured through the number of jobs created, the number of investments that generate market system change and the overall level of satisfaction from investees.

¹ Kenya, Nigeria, Malawi, Mozambique, Sierra Leone, Senegal, Tanzania, Zambia, Zimbabwe, Uganda and Burundi/DRC

The **Immediate Outcomes** of the programme are:

- Enhanced capacity of small and medium-sized enterprises to launch and scale-up innovative agribusiness operations, which is measured by measuring investments which are profitable after 36 months and where technical assistance has improved capacity;
- Enhanced knowledge among private sector partners of market opportunities and commercial viability of agribusiness, measured by the number of forums organized and the satisfaction of attendees;
- Improved economic outcomes for the rural poor in Africa, measured by the number of households benefiting, the average amount by which they benefited and the level of satisfaction of households; and
- Increased capacity of smallholder farmers to access new markets, measured by the number of farmers who have accessed markets and their level of satisfaction.

Although the AAW R2 did not have a specific emphasis on gender equality when it was designed, the launch of the Feminist International Assistance Policy in 2017 led to an increasing focus on the effective inclusion of women into programme outcomes.

AECF deploys an investee led results reporting system based on the Donor Committee for Enterprise Development's Results Measurement Framework, which provides biannual information on a wide range of development impact metrics. This information is available for all the years of implementation.

3. Scope of work:

This assignment is intended to provide an end of programme review of the AAW R2 that will extract lessons learned on how the deployment of donor capital has led to improvements in market systems for smallholder farmers. These findings will be directly relevant to other AECF investment windows in the agriculture sector currently being financed by GAC as well as other donors. They are also expected to contribute to a broader discussion on how best to deploy concessional capital to the private sector.

Through interviews with investees, use of investee reported performance information and interviews with AECF staff, the consultant is expected to answer the following questions:

- i) To what extent have women and girls been included into enterprise business models (as employees, as customers or as suppliers) as a result of the AECF financing? Are positive changes likely to be sustained once financing ends? Is there any evidence that other enterprises in the same sector or with whom the investee does business are changing their approaches to be more gender inclusive?
- ii) To what extent have investee business models become more inclusive as a result of AECF financing? Are these changes expected to be sustained after the AECF investment has finished?
- iii) To what extent have external factors, other than Covid-19, affected the implementation of the programme and how can these issues be addressed in future programmes?
- iv) How cost effective has the programme been? Taking into consideration lessons learned from other reviews of the AECF – not least the mid-term evaluation completed in 2019 – are there other approaches to providing donor capital that AECF should consider?

- v) What were the main challenges faced by AECF's investees and to what extent was AECF able to address these with the tools at its disposal during implementation?
- vi) What was the effect of the follow-on financing provided by AAW R2 during 2020 to address the working capital challenges from the Covid-19 pandemic? What did the companies use the funding for and what was the outcome for their businesses? What would have happened if they did not receive the funding? What other support would the investees have required to keep their businesses afloat?

Due to the ongoing Covid-19 pandemic, the review is not expected to involve face to face interviews with stakeholders nor the deployment of field researchers. Other remote data collection techniques such as online or telephone surveys may be considered if appropriate to the context but the conditions for this would have to be well justified in the proposal.

4. Specific deliverables for the assignment

The contractor will be required to prepare the following outputs:

- i) An inception report after one month confirming the scope of work, approach and outputs and including a detailed work plan preferably on a Gantt chart.
- ii) A final narrative report, including a slide deck of findings and recommendations
- iii) The contractor will be expected to make a presentation of the review findings and recommendations to key stakeholders that will include a question and answer session.

5. Qualifications / experience required

The applicant should present a team with the following expertise:

- The team should comprise at least an agricultural expert and a sociologist with expertise in gender analysis. Other experts with different skills can be added as appropriate.
- Lead consultant - A master's degree or higher in Agriculture, Business Administration, Finance, Economics, or related field. Relevant professional experience with a minimum of 10 years in working in private sector investing for development outcomes in smallholder agriculture in sub Saharan Africa. Experience in providing evaluation services to donors in the agriculture and private investment sector is essential.
- Gender Expert - a minimum of six years in gender-related work in the private sector and agribusiness sectors in sub Saharan Africa.
- Excellent analytical, communication and interpersonal skills.
- Experience in the use of remote data collection and verification tools.
- Fluency in English, with strong written and verbal communication skills
- The applicant should provide the necessary statutory documentation such as certificate of incorporation, tax compliance certificate etc.

6. Reporting

The applicant will be accountable to the Head of Impact at AECF

7. Duration of service

The Assignment will be conducted over a period of three months with findings due to be presented before the end of 2021. The assignment is expected to be completed by the end of December 2021.

8. Evaluation Criteria

An evaluation committee will be formed by the AECF and shall include its employees. All members will be bound by the same standards of confidentiality. The trainer/training provider should ensure that they fully respond to all criteria to be comprehensively evaluated.

The AECF may request and receive clarification from any consultant when evaluating a proposal. The evaluation committee may invite some or all of the consultants to appear before the committee to clarify their proposals. In such event, the evaluation committee may consider such clarifications in evaluating proposals.

In deciding the final selection of qualified bidder, the technical quality of the proposal will be given a weighting of **70%** based on the evaluation criteria. Only the financial proposal of those bidders who qualify technically will be opened. The financial proposal will be allocated a weighting of **30%** and the proposals will be ranked in terms of total points scored.

| NO. | CRITERIA FOR ASSESSMENT | Weighted Award |
|---|---|----------------|
| A. TECHNICAL PROPOSAL | | 70 |
| An understanding of the terms of reference | | |
| 1.1 | Demonstrate the unique and critical success factors of carrying out this assignment | 10 |
| 1.2 | Demonstrate an in-depth understanding of conducting similar reviews of private sector investment programmes in the agriculture sector especially on gender-based value chain analysis | 15 |
| Methodology and work-plan that will deliver the best value on the assignment | | |
| 1.3 | Demonstrate the capacity to deliver the task in a timely and efficient manner. Provide a realistic work plan on the key deliverables within the timelines of the assignment. | 20 |
| Qualification and Experience | | |
| 1.4 | Demonstrate strong capacity of the individual members of the team to deliver (qualifications and experience) | 15 |
| 1.5 | Demonstrate relevant experience in conducting similar engagements. Provide evidence of similar previous experience including reference list indicating the scope and magnitude of similar assignments; specification of reporting capabilities, at least 2 reference letters from past clients | 10 |
| A. FINANCIAL PROPOSAL: Clarity, relevance, reality to market value/ value for money of cost for the assignment (inclusive of any applicable tax, reimbursable and travel). | | 30 |
| Total Score | | 100 |

9. Proposal submission

Qualified firms are invited to submit the proposal that includes the following:

- i) Methodology and approach for conducting the assignment.
- ii) Reference list of similar assignments done in the past, including assignments in South Sudan.
- iii) The financial proposal clearly showing the budgeted cost for the work to be conducted under the scope of work above.
- iv) Technical and Financial proposals should be submitted as separate documents.

10. Pricing

The AECF is obliged by the Kenyan tax authorities to withhold taxes on service contract fees as well as ensure VAT, at 16% is charged where applicable. Applicants are advised to ensure that they have a clear understanding of their tax position with regards to provisions of Kenya tax legislation when developing their proposals.

11. Application

The AECF is an Equal Opportunity Employer. The AECF considers all interested candidates based on merit without regard to race, gender, colour, national origin, religion, age, marital status, disability or any other characteristic protected by applicable law.

- a) Interested training firms and individuals are requested to submit their technical and financial proposals to aecfprocurement@aecfafrica.org by **24th September 2021, 5pm (EAT)**.
- b) The Subject of the email should read **“Terms of Reference for the end of Programme review of the AAW R2”**. The AECF shall not be liable for not opening proposals that are submitted with a different subject.
- c) All questions and clarifications should be sent to aecfprocurement@aecfafrica.org

12. Disclaimer

AECF 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. In case you do not hear from us in a month, please consider your application unsuccessful.