



## THE SUSTAINABLE TRADE INITIATIVE (IDH)

### TERMS OF REFERENCE

#### FOR CONTRACT OF SERVICES

#### Market-Led SMEs and Smallholder Farmer Business Development Support Program in Grain supply Chains in Ghana

#### Diagnostic analyses of SMEs Current Business Operations and Development Plan

### 1. INTRODUCTION

IDH The Sustainable Trade Initiative, creates public private partnerships that drive market transformation for sustainability. Funded by the governments of the Netherlands, Switzerland and Denmark, IDH delivers scalable and economically viable impact on the Sustainable Development Goals (SDG) through value chain development. IDH works with over 500 private companies, operates in 11 commodity sectors and implements programs on sustainable production and trade in 50 countries globally.

IDH also drives innovative finance, introducing de-risking models through its Farmfit Fund. Lending money to SMEs (processors, aggregators, value addition) and small holder farmers (SHF) is considered a high risk, at the same time lack of working capital and investments hampers sustainable growth for SMEs and SHF in Africa. Through provision of technical assistance, business development support and de-risking loans, IDH aim at attracting commercial capital that creates an economic viable and market based sustainable business models for SMEs and farmers

**IDH is starting a three- and half--year market-led grains value chain development program in Ghana, to contribute to the development of the grains sector, support the inclusion of SHF into formal and premium markets at the same time creating jobs with a central focus on women and youth empowerment. The program will be implemented until March 2025.**

Through a market-driven approach, IDH will work closely with 12 SMEs in Northern Ghana to improve business operations, build and strengthen business, technical and management capacity, structure sourcing of high-quality grains from up to 20000 SHF producing maize, rice, and millet. We will support these SMEs and SHF in meeting the buying requirements of multinational and other off-takers for local and regional markets. IDH will provide technical assistance, business development and strategic support to these SMEs through project contracts, to support them in realizing business opportunities in grains supply chains, leading to impact through job creation (focus on women and youth job creation). Establishing a digital platform approach to provide advisory support to SHF and facilitate market linkages will be a central component of the program.

---

## TERMS OF REFERENCE

---

The Program has the following specific objectives:

- Through a market-led approach, provide close support to 12 SMEs to enable these SMEs to supply to high-value off-takers and into premium markets. These SMEs will in-turn source from 20,000 SHF in Northern Nigeria.
- Through working with these 12 SMEs, off-takers, and supply chain partners, the Program has the target to create 3,000 direct, permanent jobs across the supply chain, with 60% of these jobs being for women and youth. These direct permanent jobs will predominantly be in off-farm handling, SME processing, transport and logistics, the operations of service providers, and off-taker factories in Ghana.

IDH is looking for a **consultant firm that that will work with the IDH Program Team in Ghana to assess current SME and SHF business operations and project growth plans through SME diagnostic analyses**. Building on these analyses, the consultant will support the design of project implementation plans, to be executed by the SMEs and the SHF in conjunction with the IDH project team. This assignment is based in Northern Ghana.

IDH reserves the right to update, change, extend, postpone, withdraw, or suspend the Terms of Reference, this tender, or any decision with regard to the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant. IDH reserves the right to suspend or annul the Tender Procedure at any moment in time.

Participants cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

By handing in a proposal, participants accept all terms and reservations made in these Terms of Reference, and subsequent information and documentation in this tender procedure.

## 2. THE PROJECT OBJECTIVES

Within the Program, the project objectives entail:

- Conducting a series of diagnostic analyses of the 12 selected SMEs to support these SMEs in developing and refining their business plans.
- Developing a series of strategic project interventions that can help to unlock these business plans and create impact (smallholder farmer inclusion; job creation with a focus on women and youth) in-line with the overall Program targets. The Program has the target of supporting the inclusion of 20,000 smallholder farmers into the premium supply chain; a key Program priority is to develop/include digital solutions (to facilitate advisory support, improve traceability, and access to markets) to support the inclusion of smallholder farmers, and also as a means to creating jobs that are attractive for women and youth.
- Conducting financial, operational and organizational due diligence assessments of each of the SMES and a selection of SHF where feasible.

## TERMS OF REFERENCE

---

- Based on the SME business plans and implementation plans, and working in close collaboration with the IDH implementation team, develop an overall program strategy that incorporates project support to each of the selected SMEs and the modalities through which the Program impact targets can be achieved.

### 3. THE PROJECT DELIVERABLES

The specific deliverables of the Project include:

- **Refined business plans** for each of the 12 SMEs that reflect current organizational maturity, financial track record, current and potential market opportunities (supplying to high-value off-takers and into premium markets in Ghana, the region and beyond Africa.), and the concrete steps that need to be taken to realize these opportunities. The business plans need to include the potential impact (regarding smallholder farmer inclusion and job creation, with a focus on women and youth empowerment) that can be created as a result of realizing identified business opportunities, and in-line with the overall Program targets. Where in the supply chain and how many jobs can be created through this project? We will be using definition of our donor partners
- Financial, organizational, and operational **due diligence assessments** of each of the 12 SMEs, identifying concerns that could be critical constraints for these SMEs in realizing their business plans, and also that could present potential risks to IDH through contractual engagements under the Program.
- Based on the concrete business plans, **detailed project implementation plans** per SME with interventions that can be carried out by the SMEs in partnership with the IDH implementation team to realize identified business opportunities, and create impact in-line with the overall Program targets. IDH will establish project contracts with the SMEs against final implementation plans.
- The refined business plans and project interventions need to identify opportunities for incorporating **digital solutions and associated service providers** (to facilitate advisory support, improve traceability, and access to markets) into the project intervention plans; these can ideally be implemented as cross-cutting Program solutions.
- Developed in close collaboration with the IDH implementation team, an **overall program strategy** that builds on the SME business plans and detailed implementation plans, and the modalities through which the overall program targets can be achieved..

---

## TERMS OF REFERENCE

---

### 4. QUALIFICATIONS AND EXPERIENCE

#### Consultant Profile

The Consultant needs to have the following experience knowledge, and expertise:

- At least 10 years' experience in analyses and advisory of commercially viable agricultural value chains in Africa that supply to high value markets and off-takers regionally and internationally. Specific experience in grains value chains in West Africa is preferable.
- At least 15 years' experience of advisory on setting up commercial agribusinesses, incorporating small holder farmers and SMEs in Africa.
- An innovative and solutions-oriented approach to addressing challenges in agricultural supply chains.
- An extensive network of service providers that operate across Africa.
- Knowledge of the quality and buying requirements of high-value off-takers and premium markets.
- Have extensive understanding and knowledge on logistics in agricultural supply chains in Ghana. Specific experience in grains supply chains in West Africa is preferable.
- Have extensive understanding and knowledge on opportunities and challenges in empowering women and youth in agricultural supply chains in West Africa. Have an extensive knowledge of digital solutions (to support advisory services to smallholder farmers, traceability, and links to markets) in agricultural supply chains, and their presence and accessibility in West African markets.

#### The Consultant needs to have the following skills:

- Forecasting agricultural production.
- Effective stakeholder management.
- Ability to collaborate and communicate with team members effectively.
- Agri-business management and efficient operational skills especially supporting SME's

#### The Consultant needs to have the following characteristics:

- Business-minded and solutions-oriented: this project needs to lead to the selected SMEs and the SHF becoming sustainable and commercially viable businesses that can meet the buying requirements of high-value off-takers.
- Network with relevant experts, across Africa and internationally: inputs and services suppliers; suppliers of farm-level equipment in Ghana.
- Widely connected in the agri-business in Ghana and more broadly in West Africa.
- Located in Ghana, ideally located in Northern Ghana.
- Competent in English, both verbal and written.

### 5. PROPOSAL GUIDELINES:

In the proposal, please provide the following:

1. A succinct, well-documented approach that demonstrates the Consultant's understanding of each of the following components (**maximum of 5 pages**):

---

## TERMS OF REFERENCE

---

- i. Agronomy – aspects that are crucial to building SME and farmer production of high-quality grains.
  - ii. Local, regional (Ghana, West Africa), and international export market opportunities for grains (maize, rice, and miller).
  - iii. Positioning an agribusiness for raising commercial financing to scale, particularly within a Ghanaian context.
  - iv. The required technical and management capacity at the farm and processing levels for the SME's to successfully supply to high-value local, regional, and international off-takers.
  - v. Gender and youth – opportunities to mainstream gender equality and to stimulate involvement of youth in (the value chains of) the SMEs.
2. A budget with a break-down of man days/rate per consultant. This should include consulting time spent working directly with the supplier on a regular basis, and if applicable, an estimate of associated travel and accommodation expenses.
  3. Statement of the Consultant's relevant experience, particularly regarding the knock-out criteria detailed below (**maximum of 1 page**)
  4. A proposal outlining how the Consultant will communicate on project progress with IDH on a regular basis throughout the duration of the project (**maximum 1 page**).
  5. Clear description of the project team and relevant experience of team members, CVs of team members, and time allocation per team member (**maximum of 4 pages**)
  6. Description of contractors (**maximum of 1 page**)
  7. Statement Grounds for exclusion (see section 6 below)

### **6. GROUNDS FOR EXCLUSION**

1. Tenderers shall be excluded from participation in a procurement procedure if:
  - a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations.
  - b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata.
  - c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify.
  - d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed.
  - e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the MFA's financial interests.

Tenderers must confirm in writing that they are not in one of the situations as listed above.

## TERMS OF REFERENCE

---

2. Tenderers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

### 7. PROCEDURE

The procedure will be as follows:

- Inviting Consultants to present a full proposal based on these Terms of Reference.
- Evaluation of the proposals by an evaluation committee. The evaluation committee will evaluate the proposals on the basis of the knock-out criteria and the selection criteria as published in these Terms of Reference.
- IDH might request the preferred consultant to pitch their proposal to the evaluation committee. This is optional and will not be a requirement for all Consultants handing in a proposal.
- Decision on selection of Consultant.
- Inception meeting with the selected Consultant.

### 8. SCHEDULE

<b>Tender Process</b>	<b>Timeline</b>
Terms of Reference published	20 <sup>th</sup> of August 2021
Deadline for submission of Proposals	10 <sup>th</sup> of September 2021
Selection of Consultant	15 <sup>th</sup> of September 2021
Awarding of Contract to successful Consultant	17 <sup>th</sup> of September 2021
Start date of the assessment/amalyses	27 <sup>th</sup> of September 2021

\*Proposals submitted after the deadline will not be considered in the tender procedure.

\*IDH will reject offers if any illegal or corrupt practices have taken place in connection with the award or the tender procedure.

Proposals that meet these criteria will then be evaluated through the following selection criteria:

<b>Topic</b>	<b>Selection Criteria</b>	<b>Maximum Points</b>	<b>Weight</b>
--------------	---------------------------	-----------------------	---------------

## TERMS OF REFERENCE

<b>Approach</b>	<p>The extent to which the approach adequately addresses the objectives and expected deliverables of the assignment according to the following components:</p> <ul style="list-style-type: none"> <li>• Agronomy and technical knowledge in grain supply chains, particularly in Ghana and W. Africa.</li> <li>• Commercialization of SME's</li> <li>• Agri-business development</li> <li>• Understanding of local, regional and export markets and multinational off-takers for maize, rice, and millet.</li> <li>• Knowledge of the required technical and management capacity at farm and processing levels.</li> </ul>	<b>10</b>	<b>3</b>
<b>Experience</b>	The extent to which the Consultant demonstrates the required experience detailed in the Consultant profile.	<b>10</b>	<b>4</b>
<b>Communication</b>	The extent to which the Consultant's communication proposal will keep IDH sufficiently informed on project progress.	<b>10</b>	<b>1</b>
<b>Budget</b>	The proposal with the highest quality and reasonable budget including VAT and applicable taxes will receive 10 points, followed by 8, 5 and 3 points for the following higher budgets.	<b>10</b>	<b>2</b>
<b>Total Maximum Points</b>			<b>100</b>

### 9. SELECTION CRITERIA

Proposals will first be short-listed based on the following knock-out criteria:

- Demonstrated experience developing successful SME and large-scale commercial agricultural value chains in Africa.
- Demonstrated experience in developing commercial supply of grains to high-value off-takers regionally in Africa and internationally.
- Demonstrated experience in integrating smallholder farmers in formal supply chains with specific attention to women and youth.
- Demonstrated experience in applying scalable digital solutions.

### 10. CONFIDENTIALITY

## TERMS OF REFERENCE

---

The Consultant will ensure that all its contacts with IDH, with regards to the Tender, during the tender procedure take place exclusively in writing by e-mail to David Black via [black@idhtrade.org](mailto:black@idhtrade.org). The Consultant is thus explicitly prohibited, to prevent discrimination of the other Consultants and to ensure the diligence of the procedure, to have any contact whatsoever regarding the tender with any other persons of IDH than the person stated in the first sentence of this paragraph.

The documents provided by or on behalf of IDH will be handled with confidentiality. The Consultant will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Consultant or its engaged third parties will give IDH grounds for exclusion of the Consultant, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Consultant will be handled with due care and confidentiality by IDH. The provided information will after evaluation by IDH be filed as confidential. The provided information will not be returned to the Consultant.

### **10. Contact information**

Name: David Black

Email: [black@idhtrade.org](mailto:black@idhtrade.org)