

## Terms of Reference

### IDH Sustainable Trade Initiative

#### [Cooperatives business development and monitoring support in Rwanda]

##### 1. Introduction

IDH Sustainable Trade Initiative (“IDH”) accelerates and up-scales sustainable trade by building impact-oriented coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners and we co-invest with partners in activities that generate public goods.

On basis of these Terms of Reference (“**ToR**”), IDH aims to select a consultant firm specialised in cooperatives’ management, advisory services provision, business planning, and financial management that will work with IDH’s Project Implementation Team (PIT: the team that actively oversee, support and measure the progress of implementation activities) and provide daily hands-on support to selected cooperatives to build their in-house technical, business and management capacity to be able to professionalize their operations, scale up, and become commercially viable and supply horticultural SMEs targeting local, regional and premium export markets.

The consultant will start with the scoping and assessment of identified cooperatives, process that will lead the design and implementation of activities of the Project in Rwanda relating to the cooperatives from the period of February, 2023 to May, 2024.

##### 2. Background

Using a market led approach, IDH is implementing a ‘Market-led SMEs and smallholder farmer business support project in Rwanda - Phase II’ under its Value Chain Development program (the “Project”); to be implemented until May 2024. The Project is aimed at creating new good jobs with a focus on women and youth and improving the working conditions of workers in SMEs involved in Rwanda’s horticulture sector, and to improve the farmers’ livelihoods through enhanced production of high value horticulture crops. This will contribute to the commercialization of the Rwanda’s horticulture sector, and access to local, regional and export premium markets.

Through this Project, IDH will work closely with a group of Rwandan SMEs and cooperatives to improve production volumes and quality, build technical and management capacity, further professionalize operations, and to support these cooperatives in meeting both local, regional and premium export market requirements. The objective is to work across the production abilities of each of the selected cooperatives, to establish and build a horticulture sector in Rwanda.



### 3. Assignment

The assignment comprises of scoping, assessment of 12 cooperatives and recommending 6 main suitable cooperatives that align with the SMEs vision and contributing the most towards achieving the project targets. Then afterwards, develop action plan per each cooperative of which together with each cooperative strategic plan will be based on to provide capacity building support throughout the project timeline

#### Objectives

The overall objective is to develop and provide targeted interventions to Rwandan horticulture cooperatives to reach their full potential as farmer-led businesses, become competitive and meet markets requirements. These interventions will provide cooperatives with the needed technical, operational, business and managerial support they need to be capable of producing high quality products consistently for local, regional and premium export markets while creating on-farm jobs and off-farm jobs.

#### The specific objectives:

1. Undertake scoping and assessment of 12 identified cooperatives (each SME will provide two most preferred cooperatives to work with)
2. Recommending six high potential cooperatives among the 12 and jointly design an action plan that will be implemented by each cooperative  
Developing targeted interventions for each of the selected cooperatives. For each selected cooperative, create tailored intervention plans which indicate key areas of support and the required expertise and resources needed to address these challenges. These plans will also include individual KPIs that IDH's Implementation Team will use to measure progress towards supporting the cooperatives.
3. Providing hands-on capacity building support based on strategic action plans. This will include:  
(i) Operational, business and managerial support and (ii) Technical and agronomical support.

The consultant will work to ensure coordination between SMEs and cooperatives and that transition of technical know-how of market requirements and specific customer requirements are conducted.

#### Deliverables

The deliverables of this assignment will be split in two phases.

#### **PHASE I: Cooperatives assessment and design of targeted intervention plan (March-April,2023).**

Steps to undertake:

1. **Scoping and assessment:** Each private company/SME will provide two horticulture cooperatives to work with summing up to 12 cooperatives. The cooperatives can include those with an existing sourcing relation with SMEs or new cooperatives that SME would like to start working with. The consultant firm will then scope and assess all the 12 provided cooperatives



to get in-depth understanding of their business case, member commitment, reputation, financial management and governance. As a result, the main suitable 6 cooperatives that align with both SMEs vision and contributing towards achieving project targets will be selected as per recommendation of the consultant firm. The consultant firm will also generate an assessment report including an action plan to guide the collaboration of each selected cooperative.

2. **Contracting of cooperatives:** one cooperative per private company/SME will be selected by the consultant firm to join the project through a contract based on the action plan. The plan should also include individual KPIs that the IDH's Project Implementation Team will use to measure progress towards supporting the cooperatives.

Upon completion of Phase I, a contract and implementation capacity building plan will be established with all successful beneficiary cooperatives and commence technical assistance.

## **PHASE II: Cooperatives capacity building support and monitoring (starting by May 2023)**

Steps to undertake:

1. **Business advisory services:** Based on markets requirements and that of SMEs, the consultant will provide hands on support and business advisory services for the duration of the project. The advisory services will focus on the professionalization of the cooperatives, as well as the establishment of partnership with SMEs. This support will be provided hand in hand with the IDH's Project Implementation Team.
2. **Trainings/workshops:** The consultant will organize trainings and workshops for the cooperatives, often in group settings. The trainings should cover female leadership, youth inclusion, good agricultural practices, managing an agricultural cooperative and financial management. Knowledge baseline surveys/evaluation should be done before each training and impact/adoption assessment should also be carried out 6 months after the training.
3. **Monitoring and evaluation:** the consultant will also support data collection for monitoring and evaluation purposes over the course of the project. This includes baselines surveys/evaluation before each training and impact assessment/adoption six months after each training.
4. **Deliverables of the assignment**

<b>Phase</b>	<b>Deliverables</b>
Phase I	<ul style="list-style-type: none"><li>• Cooperative assessment report for each of the selected cooperatives.</li><li>• Contracts with detailed intervention plans for each of the selected cooperatives.</li><li>• Key performance indicators aligned with the project's KPIs for each of the selected cooperatives. <b>Deadline: April 30<sup>th</sup> 2023</b></li></ul>



Phase II	<ul style="list-style-type: none"><li>• Monthly monitoring reports on each of the cooperatives, describing activities undertaken and providing data based on the project's result chain (<b>deadline: 5<sup>th</sup> of the following month</b>).</li><li>• The Consultant will hold bi-weekly catch-up meetings with the IDH Implementation Team to update each other on ongoing activities and plan together</li><li>• Final project report describing activities undertaken and data based on the project's result chain (<b>deadline: May 2024</b>).</li><li>• Final report on the overall process of cooperatives business development and support identifying major challenges and lessons learnt, with recommendations for IDH for future project management (<b>deadline: May 2024</b>).</li></ul>
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#### 4. Selection Procedure

The procedure will be as follows:

1. Publication of the ToR
2. 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 this ToR.
3. IDH may request shortlisted applicant(s) to pitch their proposal to the evaluation committee. This is optional and will not be a requirement for all applicants handing in a proposal. Pitch session can be physically or virtually.
4. Decision on selection of the consultant firm.
5. Inception meeting with the selected consultant firm.

The schedule below indicates the timelines for the tender procedure:

No	Tender process	Timeline
1	ToR publication	23/12/2022
2	Deadline for submission of proposals	12/01/2023
3	Evaluation of the proposals	13/01/2023 -27/01/2023
4	(optional) Pitch sessions	30/01/2023 - 10/02/2023



5	Selection of consultant	15/02/2023
6	Start of the assignment	1/03/2023

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

\*\* IDH may request shortlisted consultant firm to a pitch session at the IDH Rwanda Office, in Kigali or via video conference.

After the deadline to submit a proposal has passed, the evaluation committee will evaluate the proposals.

The proposals will first be tested for completeness:

- The absence of the documents referred to in Section 6 of this document can lead to exclusion from further participation in the tender procedure. This is also the case when minimum requirements listed in this ToR are not met.
- If the proposal is complete, the selection committee will evaluate the proposal based on the criterion as mentioned in section 6.

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

## 5. Proposal requirements

IDH is requesting the service providers to hand in a proposal of maximum 5 pages (excluding company biographies, CVs, sample work and references). The proposal must be handed in a MS Word or PowerPoint version next to a PDF submission to facilitate any copy-and-pasting of content that we may need during evaluation.

The proposal must at least include:

1. A succinct, well documented approach that demonstrates the consultant's understanding of each of the following.
  - i. Understanding and knowledge of commercial agriculture development
  - ii. Agronomy – aspects that are crucial to building farmer production of high- quality produce for processing and packaging.
  - iii. Positioning cooperatives as agribusiness to enable them raise commercial financing to scale, particularly within a Rwandan context.
  - iv. The required technical and management capacity at the farm level to successfully supply produce required quality by SMEs, either for local, regional and premium export market or processing.



2. A budget with a break-down of main days/rate per team member. 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. The budget should reflect the activity plan. **Note:** The maximum budget for this assignment is 60.000 EUR, including all applicable taxes.
3. Statement of the consultant's relevant experience, particularly regarding the knock- out criteria detailed below.
4. A proposal outlining how the consultant will communicate on project progress with IDH on a regular basis throughout the duration of the project.
5. Clear description of the team designated to work on the assignment and relevant experience, CVs and time allocation of each team member.
6. Description of subcontractors.
7. Statement regarding the 'grounds for exclusion' (see section 6 below).

#### Qualifications and experiences

#### **The consultant needs to have the following experience knowledge and expertise:**

- At least 15 years of experience in working with cooperatives to develop commercially viable produce value chains in Africa that supply local, regional and export markets. Specific experience in Rwanda is an added value.
- At least 15 years of experience in providing advisory services and technical aid in entrepreneurship, business planning, financial management and day-to –day management of cooperatives.
- An innovative and solutions-oriented approach to addressing challenges faced by cooperatives in fresh produce supply chains.
- Extensive and up-to-date knowledge of local, regional and premium export market dynamics.
- Extensive knowledge of the agronomy and supply chain aspects of local, regional and export oriented fresh produce value chains.
- Proven track-record of development and implementation of successful farming operations in Africa.
- Knowledge of the relevant certification required to supply into regional and premium export markets.



**The consultant needs to have the following skills:**

- Forecasting agricultural production.
- Effective stakeholder management.
- Ability to collaborate and communicate with team members effectively.
- Agribusiness management and efficient operational skills especially supporting cooperatives.

**The consultant needs to have the following characteristics:**

- Business and operationally minded.
- Network with relevant experts (across Africa and internationally: inputs and services suppliers, suitable farm equipment for farming in Rwanda).
- Located and registered in Rwanda.
- Fluent in Kinyarwanda and competent in English, both verbal and written.

The proposal must be submitted to Francine Nizongabire at [nizongabire@idhtrade.org](mailto:nizongabire@idhtrade.org) latest on January 12th, 2023 at 5:00 PM Kigali Time.

## **6. Testing and weighing**

### Grounds for exclusion

1. Applicants shall be excluded from participation in a procurement procedure if:
  - 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.
  - 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.
  - they have been guilty of grave professional misconduct proven by any means which the IDH can justify.
  - They have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with 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.

- they or persons having powers of representation, decision making of 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.

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

2. Applicants 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).

#### Minimum criteria

Consultant firm or proposals not fulfilling the minimum criteria will be excluded from the tender procedure and will not be assessed against other criteria.

- 1 *The proposal budget doesn't exceed the maximum budget presented in the ToR (60.000 EUR; Incl. VAT).*
- 2 *Demonstrated experience in working with cooperatives to develop commercially viable produce value chains in Africa especially in Rwanda that supply local, regional and export markets.*
- 3 *Demonstrated experience in providing advisory services and technical aid in entrepreneurship, business planning, financial management and day-to-day management of cooperatives Rwanda.*

#### Scoring and weighing

The evaluation criteria are compared and weighed according to the procedure below. This concerns a general outline of the scoring methodology and an explanation on how the consultant firm can demonstrate compliance with the requirements.

##### *Step 1 – Scoring*

Evaluation scores will be awarded for each of the components. The evaluation committee will score each component.





The proposal will be assessed based on the following selection criteria:

Topic	Selection criteria	Maximum score	Weight
Overall proposal	The extent to which the proposal meets the requirements set out in this ToR	5	2
Approach	The extent to which the approach adequately addresses the objectives and expected deliverables of the assignment according to: <ul style="list-style-type: none"> <li>• Agronomy</li> <li>• Commercialization of cooperatives</li> <li>• Agri-business development</li> <li>• Raising commercial financing</li> <li>• Knowledge of required technical and management capacity at farm level.</li> </ul>	5	3
Experience	The extent to which the consultant demonstrates the required experience/expertise and knowledge detailed in the consultant profile.	5	2
Communication	The extent to which the consultant's communication proposal will keep IDH informed on the project progress.	5	1
Budget and activity plan	The extent to which the budget is reasonable (including VAT and all applicable taxes) with a clear reflection of the activities planned and man-days distribution broken down by team member rate and hours.	5	2
<b>Total score</b>		<b>50</b>	

The evaluation committee will score each component by assigning scores from 1 to the maximum grading, with the maximum grading representing optimal performance on the component and 1 representing extremely poor performance on the respective component.

#### *Step 2 - Weighing*

The final score will be weighed based on the evaluation criteria stated in this ToR and the assignment will be awarded to the consultant firm with the highest score. If the scores of the consultant firms are



equal, the score for the component “Overall proposal” will be decisive. If this does not lead to a distinction, the ranking will be determined by drawing of lots.

#### Award

Once IDH has decided to which consultant firm it intends to award the assignment, a written notification thereof is sent to all consultant firm participating in the tender procedure. The consultant firm is contracted via a letter of assignment, following IDH’s template.

### **7. Communication and Confidentiality**

The consultant firm 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 Francine Nizongabire via e-mail to [nizongabire@idhtrade.org](mailto:nizongabire@idhtrade.org) . The consultant firm is explicitly prohibited, to prevent discrimination of other consultant firms 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 confidentiality. The consultant firm will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the consultant firm or its engaged third parties will give IDH grounds for exclusion of the consultant firm, without requiring any prior written or verbal warning.

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

### **8. Disclaimer**

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the ToR, this tender procedure, or any decisions 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 withdraw with a participant. IDH reserves the right to suspend or annul the tender procedure at any moment in time.

Applicants 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, applicants accept all terms and reservations made in this ToR, and subsequent information and documentation in this tender procedure.

#### Annexes

Annex1: IDH General Terms and Conditions for services