

Terms of Reference

IDH Sustainable Trade Initiative

Diagnostic assessment of SMEs (Rwanda)

December 23, 2022

1. Introduction

IDH Sustainable Trade Initiative (“IDH”) convenes, co-creates, and co-finances inclusive and sustainable solutions that enable people in business, investment, and government to create value for people and the planet.

IDH is now looking for a partner **to conduct a diagnostic assessment for the six horticulture SMEs selected for the IDH Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II project**. On the basis of these Terms of Reference (“**ToR**”) IDH aims to select a service provider that will work with the IDH project team to assess current business operations and project growth plans of six previously selected horticulture SMEs in Rwanda to further build their in-house technical, business and management capacity to be able professionalize their operations, scale up, and become commercially viable. Based on the results of analyses and together with the SMEs, the service provider will create SME specific reports and overall report. These documents will form a crucial part of the intervention planning for the project. The assignment will take place during February – March 2023 in Rwanda.

2. Background

Under its 'Value Chain Development' program, IDH adopts a market-led approach to developing sustainable, inclusive, and commercially viable agricultural supply chains in different parts of Africa. Through an understanding of formal, premium market dynamics and establishing partnerships with large-scale premium off-takers, IDH provides close, tailored support to selected SMEs, cooperatives, and supply chain intermediaries to meet premium market buying requirements. These SMEs, cooperatives, and supply chain intermediaries in turn source from smallholder farmers.

IDH’s support includes technical capacity building across production, processing, supply chain and logistics management; improving sourcing structures and strategies; business management; facilitating market linkages; and supporting access to affordable financing solutions. Through its ‘Value Chain Development’ program, IDH’s aim is to stimulate local economic activity, create new jobs, and support the inclusion of smallholder farmers into formal, premium supply chains, contributing to improved livelihoods for farmers and surrounding communities.

IDH Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II Project (the "Project")

Rwanda’s horticulture sector still has unrealized potential to contribute to local, regional and export markets growth. Using a market-led approach, IDH through this project aims at creating new jobs and improving the working conditions of workers in SMEs involved in Rwanda’s horticulture sector, and to

improve 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 premium markets, being local, regional and export.

The Project is designed to attract and catalyze private investments in the Rwandan Horticulture sector, capitalize on market opportunities in domestic, regional and export markets through supporting the development of inclusive and sustainable horticulture value chains. The project will support activities across horticulture value chains in Rwanda, from production to processing, distribution and marketing and the key target group is SMEs in the business of horticultural products.

IDH is now looking for a service provider **to conduct a diagnostic assessment for the six horticulture SMEs selected for the Project in Rwanda**. The overall Project duration will be 17 months, from January 2023 until May 2024. The duration of this assignment will be approximately six weeks (February-March 2023).

3. Assignment

Objectives

The overall objective of this assignment is to collect and analyse information required for the successful implementation of the Project. The key target group of the Project is SMEs in the business of horticultural products. The SMEs are involved in the horticulture value chains from production to processing, targeting the local, regional or export markets.

The practical objective of this assignment is to lay the foundation for a successful implementation of the Project by producing a) a diagnostic assessment report for each SME with recommendations and b) overall diagnostic assessment report with cross-cutting themes and recommendations.

Approach

The approach of this assignment should be a co-creation process between the service provider and the selected SMEs. Therefore, it is important for the service provider to spend time with the SMEs and we encourage field visits to SMEs' operations to understand them better. We see this as a co-creation process between the service provider and the selected SMEs and the service provider will also work closely with the IDH's project team. IDH sees this approach an important element to ensure that the deliverables will add value to the SMEs and to the project. The deliverables of this assignment should contribute to the Project intervention planning and support the SMEs in the development of their business plans.

The assignment will consist of the following steps:

- 1. Preparation**

Preparation of the diagnostic assessment with IDH project team.

- 2. Gathering information**

Collect information on the six selected SMEs and the enabling environment, through meetings, field visits and consultations within the SMEs and other value chain actors.

3. Analysis

Analyse the selected SMEs current operations and their technical, agronomical, operational, business and managerial challenges and support needs (e.g. scaling, market demands, customer relations). Analyse the current situation against the objectives of the project and the support and interventions needed.

4. Documentation

Document the deliverables of the assignment: a) a diagnostic assessment report for each SME with recommendations and b) overall diagnostic assessment report with cross-cutting themes and recommendations.

The format and content of these documents should be easily approachable, practical and action oriented. These documents should serve as a basis for the intervention plan creation by the IDH project team, adding value to the SMEs and the project implementation. The recommendations /activities proposed should be in line with the overall project objectives, especially job creation, and with the business plans of each SME.

Deliverables

The deliverables of this assignment will be:

- 1 **Diagnostic assessment report per each SME (6):** These reports should be practical and action-oriented with tangible recommendations. These reports should serve as a basis for the project team to finalize intervention plans and supporting SMEs in their business plan development.
- 2 **Overall diagnostic assessment report** with cross-cutting themes and recommendations to provide guidance for the project team in implementing the project.

In the production of the deliverables, the service provider is required to work in close cooperation with the SMEs and IDH project team to ensure that the documents produced will be of value for the project and for the SMEs.

4. Selection Procedure

The procedure will be as follows:

1. Publish
2. Evaluation of the proposals by the evaluation committee. The evaluation committee will evaluate the proposals based on the selection criteria as published in this ToR.
3. OPTIONAL: selection of top 2 service providers to do a team pitch. A team pitch will consist of short presentation of the proposal and answering questions from the evaluation committee.
4. Decision on selection of the service provider.
5. Inception meeting with the selected service provider.
6. Introduction meeting with the selected SMEs

The schedule below indicates the timelines for the tender procedure:

Tender process	Timeline
ToR published	December 23, 2022
Deadline for submission of proposals*	January 13, 2023
Team pitch**	January 18-20, 2023
Selection of the service provider	January 23, 2023
Start of assignment	February 2023

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

** IDH may request shortlisted service providers to do a pitch session 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 ToR 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.

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 fresh value chains in Africa that supply into premium export markets. Experience in Rwanda is considered an asset.
- At least 10 years' experience of advisory on how to set up commercial horticulture companies incorporating small holder farmers and SME's in Africa.
- An innovative and solutions-oriented approach to addressing challenges in fresh produce supply chains.
- Extensive and up-to-date knowledge of European and regional market dynamics for fresh produce.
- An extensive network of service providers that operate across Africa, and international traders with sourcing interests in Rwanda.
- Knowledge of the relevant certification standards required to supply into premium local, regional and export markets.
- Have extensive understanding and knowledge on logistics and cold chain management.

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 and operationally minded: this project needs to lead to the selected SMEs becoming sustainable and commercially viable businesses
- Network with relevant experts, across Africa and internationally: inputs and services suppliers; suppliers of farm-level equipment suitable for farming in Rwanda.
- Located in Rwanda or ability to travel
- Competent in English, fluency in Kinyarwanda is considered an asset.

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:

- a. A succinct, well-documented approach addressing the objectives and requirements set out in this ToR.
- b. General action plan describing how the assignment would be conducted.
- c. An overview of the project team their relevant experience and location and time allocation per team member; the CVs of the project team members.
- d. Budget presented in Euros (incl VAT) with a break-down of days/rate per project 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.
- e. Maximum of three client references and a sample of previous work relevant to the deliverables in this ToR.
- f. A proposal outlining how the service provider will communicate on project progress with IDH on a regular basis throughout the duration of the project.
- g. Description of contractors (maximum of 1 page)
- h. Statement on Ground for exclusion (see section 7 below)

The proposal must be submitted to Pauliina Tynkkynen at [tynkkynen\(at\)idhtrade.org](mailto:tynkkynen(at)idhtrade.org) before **January 13, 2022, 17:00 CET**.

Budget

The maximum budget for this assignment is 50.000 EUR, including all applicable tax and costs (including but not limited to VAT, working hours, travel costs).

6. Testing and scoring

Grounds for exclusion

1. Service provider shall be excluded from participation in this tender 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.

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

2. Service provider 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

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

- 1 The budget presented in the proposal does not exceed the maximum budget presented in the ToR.
- 2 Demonstrated experience developing and/or supporting the development of successful SMEs and large-scale commercial agricultural value chains in Africa.
- 3 Demonstrated experience in SME assessment in Africa.

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 how the service provider can demonstrate compliance with the requirements.

Step 1 - Scoring

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

Component		Criteria	Max. Grading	Weight
1	Proposal overall	The extent to which the proposal meets the requirements set out throughout this ToR.	5	3
2	Approach	The extent to which the Service provider demonstrates that the approach is fitted to the assignment and that the approach will lead into deliverables adding value for the SMEs and for the project.	5	3
3	Action plan	The extent to which the Service provider demonstrates that the action plan is fitted to the assignment and the steps defined in Section 3.	5	1
4	Track record	The extent to which the Service provider presents the required level of expertise and knowledge to fulfil the requirements both at team member and company level. To extent to which the Service provider gives a clear description of the project team, relevant (delivering similar projects) experience of team members and time allocation per team member.	5	2
5	Budget	The proposal with the lowest budget including VAT and applicable taxes will receive 5 points, followed by 3, 2 and 1 points for the following higher budgets.	5	1
Total maximum points				50

The evaluation committee will score each component by assigning scores from 1 to the maximum grading, with the maximum grading 5 representing optimal performance on the component and 1 representing extremely poor performance on the respective component.

Step 2 - Weighting

See the weighting in the table above.

The assignment will be awarded to the service provider with the highest score based on the evaluation criteria communicated in this ToR. If the scores of service provider are equal, the assignment will be awarded to the service provider that has received the highest score for proposal overall. If this does not lead to a distinction, the ranking will be determined by the drawing of lots.

Award

Once IDH has decided to which service provider it intends to award the assignment, a written notification thereof is sent to all service providers participating in the tender procedure.

The service provider is contracted via a letter of assignment, following IDH's template.

7. Communication and Confidentiality

The service provider 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 Pauliina Tynkkynen via Tynkkynen(at)idhtrade.org. The service provider is thus explicitly prohibited, to prevent discrimination of the other service provider 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 service provider will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the service provider or its engaged third parties will give IDH grounds for exclusion of the service provider, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted 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 service provider.

8. Disclaimer

IDH reserves the right to update, change, extend, postpone, withdraw, or suspend the ToR, this tender procedure, or any decision regarding 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.

Participants in the tender procedure 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 this ToR, and subsequent information and documentation in this tender procedure.

9. Annexes

Annex 1: IDH General Terms and Conditions for Services