



TERMS OF REFERENCE (ToR)

SETUP OF A REVOLVING FUND SYSTEM, IMPROVED ACCESS TO FINANCE AND WITH BUSINESS ADVISORY SUPPORT SERVICES TO COCOA PRODUCERS AND SERVICE DELIVERY ENTITIES (CCDS) UNDER THE Liberia Cocoa Sector Improvement Programme (LICSIP)

1. Background

Solidaridad West Africa, Liberia (SWAL) is a not-for-profit organization based in Monrovia, Liberia. Established in 2005, SWAL is part of the Solidaridad Network, a Dutch based development organization operating on five continents through nine Regional Expertise Centers. With its network secretariat in The Netherlands, and West Africa Regional Headquarter in Ghana, Solidaridad has over 45 years of global experience working in the development of profitable supply chains, creating sustainable businesses and livelihoods. Our specific interventions are aimed at improving the livelihoods of producers and their communities by providing technical assistance and promoting capacity development for producers and workers; ensuring continual improvement for sustainable production; promoting voluntary sustainable standards; facilitating credit and input access for small and medium enterprises; stimulating Public Private Partnerships; facilitating the negotiating position of producers and workers in the supply chain; and lastly, facilitating market opportunities for small and medium scale producers and workers.

About LICSIP

Solidaridad West Africa has been awarded a 4 year contract (January 15, 2018-January 14, 2022) from the European Commission-Delegation of the European Union to Liberia to undertake a cocoa Programme. The project is titled **Liberia Cocoa Sector Improvement Programme (LICSIP)**. The project core counties include Bong, Nimba and Lofa with Gbarpolu, Grand Gedeh and River Gee as secondary counties. The overall objective of the project is to create a vibrant, competitive and profitable cocoa economy driven primarily by farmer organizations and private cocoa supply chain, within a robust national regulatory and institutional framework. The program has five (5) expected results:

- **Result 1:** Improved farm-level sustainable production and productivity
- **Result 2:** Improved cocoa sector regulatory and institutional framework
- **Result 3:** Enhanced capacity of cocoa sector governance structures
- **Result 4:** Vertical market integration and access and visibility of Liberia cocoa improved
- **Result 5:** New employment for youth and women created along the value chain

One of activities to be performed by the Solidaridad within the programme is cocoa supply chain actors' access to finance, under which efforts will be made towards further facilitation of financial solutions support the cocoa sector. SWA Liberia is therefore looking for a consultant (individual/agency) to set up a revolving fund and to provide business advisory support for the programme. Specifically, the assignment is aimed at developing a self-sustaining revolving financial scheme that would support youth and women with capacity to establish service provision enterprises to support the cocoa sector. In addition, the scheme will also provide financial support to entrepreneurial youth and women cocoa farmers. The objectives of the scheme would include

- Develop a financial scheme that would provide access to credit (at cost) and other financial solutions to producers, service businesses along the supply chain with emphasis on women and youth;
- Develop a supportive framework (financing scheme) that would sustain the provision of the financial services to cocoa producers beyond the programme duration;
- Design effective financial and business support services that will remove barriers to women and youth's active engagement in the cocoa sector.;
- Identify local financial service providers, strengthen their capacity, and support them to provide financial intermediary services to programme beneficiaries exploring how the revolving scheme can leverage these other/additional financing from micro-finance providers, commercial banks, other such similar financing schemes or any existing special purpose financing vehicles within Liberia;
- Recommend interventions necessary to strengthen the rural financial service provision in Liberia for the cocoa sector;
- Develop business advisory training modules to prepare/support credit recipients to continue to be bankable;
- Investigate the causes of over-dependence of cocoa farmers on trader's credit financing of their farming activities and implications for farmers' inability to constantly invest in their cocoa plantations;
- Lead and support Center for Cocoa Development (CCDs) and its managing private companies/CSOs in developing business plans and revenue generation streams to finance CCD operations and
- Assist CCDs identify financing arrangement (short to medium term) for farmers to access basic food staples break any identified barriers that make farmers dependent traders benevolence.

2. Scope of Assignment

The purpose of the consultancy is to clearly identify, articulate, and document the existing situation of access to finance in cocoa and other tree crop sub-sectors (direct and indirect constraints). Develop a comprehensive plan with realistic timeframe that would allow LICSIIP beneficiaries to access finance. Determine financing scheme (revolving fund) that would sustain itself even beyond the programme period while recommending modalities for efficient management of that fund. The successful partner implementer would also coordinate the management of the fund over the life of LICSIIP. The assignment will include tailing out indigenous financing arrangement that have seen successful implementation in the cocoa communities for up-stream supply chain actors including microfinance, VSLA etc. Institutions with good networks in the rural communities to operate financing schemes should also be explored and consulted with findings and their potential to partner LICSIIP documented.

3. Specific Tasks of the Assignment

- a. Review relevant support documents (reports, studies, surveys, comparative analysis, reviews etc.) describing or referring to access to finance in Liberia or any subject connected to access to finance;
- b. Review and update on regulatory banking and non-banking framework and financial infrastructure;
- c. Review Government of Liberia and other development partners' effort related to facilitating access to finance for local communities and farmers;
- d. Develop an Inception Report with a clear description of how the consultant is going to perform the tasks mentioned under this Terms of Reference. This should also include a draft content of the study/survey with a tentative list of institutions, authorities, and individuals the consultant plans to consult (though not conclusive list);
- e. Identify local financial intermediaries with the potential to provide local financing to programme beneficiaries, determine their capacity gaps in delivering cost-effective services to their clientele;
- f. Determine and recommend capacity strengthening required to support local financial intermediaries to develop financing mechanism for local beneficiaries;
- g. Develop a draft action plan with detailed actions and specific recommendations to mitigate the constraints on access to finance and identify areas of intervention to facilitate improvement;
- h. Develop a sustainable financing scheme to support project implementation using LICSIIP's own budget as initial revolving fund and structures to implement it and
- i. Develop requested deliverables as per TOR and submit them to SWA.

4. Methodology

The consultant shall employ both quantitative and qualitative methods for collection of data/information. The consultant/agency is expected to use Participatory Tools and Techniques for data collection, which may include but not be limited to Individual in-depth interviews, key informant interviews, focus group discussions, field observations in targeted areas etc. Comprehensive desk review of all relevant documents as deemed necessary. The consulting firm/bidder will have to fully engage project stakeholders i.e. Banking Institutions, Microfinance Institutions, VSLA schemes, Local opinion leaders, farmers and farmer organization, private sector companies, relevant government ministries and agencies, donor organizations, national cocoa platforms (if any). The consultant/agency will set up arrangement for continuous briefing and consultation with SWA Liberia management throughout the entire exercise.

5. Deliverable

The duration of the assignment is an initial 40 man-days (includes internal travels and all consultations) culminating in the production of an inception report with pipeline activities for an initial two years of technical assistance support by the agency/consultant to implement the inception plan with clear timelines and full budget for consideration by SWA Liberia.

It is:

No.	Activity / Deliverable	Outcome
1	Prepare for evaluation <ul style="list-style-type: none"> • Tendering for evaluator • Signing contracts 	Contract signed
2	Desk review of project documents, current status of access to finance, banking policy, MoCI's MSMEs policy, reports and other relevant documents	Inception report including detailed study plan, methodology and tools including list of interviewees
3	Presentation of inception report and briefing of the team	Inception report is finalized
4	Draft Report	Access to Finance study –First draft
5	Presentation	Presentation of the study
6	Final Report	<ul style="list-style-type: none"> ○ Final Version ○ Action Plan ○ Presentation of the Access to Finance study

6. Preparation of Inception Report

The consultant/agency shall provide initial pricing along with a short technical proposal on how to carry out the initial inception phase activities and report. The consultant/agency shall submit one hard copy (and soft copy) of the technical and financial proposals. The technical and financial proposals should be marked properly and should include the name and detailed contact address of the consultant /agency. Soft copies of the technical and financial proposals should also be forwarded to vacancies.li@solidaridadnetwork.org

7. Validation of the Proposal

All cost should be quoted in USD and will remain valid up to thirty (30) days from the day of proposal submission.

8. Minimum outline of the technical/financial proposal

It is mandatory that the proposal should maintain the following format:

- Topic
- Title of the study
- Understanding of the Assignment (ToR Appraisal)
- Methodology
- Operational plan
- Proposed team with names and curriculum vitae
- Fees and other cost
- Submitted by: (with contact details)

Detailed CV's of the team members should be included in the annex of the technical proposal.

9. Qualification and experience of the agency/consultant

- At least a post graduate degree qualification in banking, finance, economics or business administration with demonstrated good knowledge of rural development and agriculture in Liberia;
- The lead consultant must have minimum ten years of experience in working in the financial/business advisory sector. Experience in institutional development and finance;
- Experience in MSMEs service delivery in its financing issues;
- Demonstrated experience of working with public authorities, business communities, development partners, other international financial institutions and foreign investors;
- Must demonstrate experience of conducting studies in rural development sector of Liberia;
- Solid methodological research skills;
- Must have a good understanding of the agricultural programmes in Liberia; and
- Good command of oral and written communications skills in English.