

**Solidaridad**



Funded by the European Union

## **TERMS OF REFERENCE (ToR)**

<b>Type of task:</b>	Partnership for the implementation of LICSIP
<b>TA type:</b>	Independent sub-contractor
<b>TA Task:</b>	Development and management of a National Cocoa Public-Private Partnership (NC3P) Platform
<b>Eligible applicants:</b>	Local or international development organizations

### **Introduction**

Cocoa is an important cash crop in Liberia whose export potential remains under-developed. Cocoa export stood at nearly 15,000 tons per year during the pre-war era, but dropped to zero during the conflict and now stands at an annual production average of 9,500 metric tons over the past five years (FAOSTAT Crop production 2012). There is no functional input market and a regulated output market, thus cocoa farmers are left to bear the high cost of inputs that may be inferior and output that is unregulated. The cocoa tree stock is old and of poor genetic material quality, whilst farmers lack access to improved planting material and skills in good agronomic and business management practices. The combined effect of these challenges is seen in the low yields. The average yield is estimated as 150-200kg/ha, compared with 550kg/ha and 700kg/ha in Ghana and Cote d'Ivoire respectively in the sub-region. The unprofitable sector has resulted in several farmers abandoning their farms or changing land use. There is virtually non-existent robust regulatory and enforced policy framework to support the sector. The Liberia Produce Marketing Corporation (LPMC) is defunct and efforts to revitalize it by transforming it into the Liberia Agriculture Commodity Regulatory Authority (LACRA) has been slow and lacks adequate funding and technical assistance support. In summary, despite the better climatic and environmental conditions suitable for cocoa production coupled with the important role the sector can play in employment creation, national revenue generation and development, it remains uncompetitive and unattractive.

It is against this background that the Liberia Cocoa Improvement Programme (LICSIP) was formed to reverse and address the challenges. The LICSIP therefore seeks to create a vibrant, competitive and profitable cocoa economy driven by farmer groups/associations and private

sector supply chain actors, within a robust national regulatory and institutional framework. Primarily the European Union (EU) funds LICSIP with co-funding from Solidaridad West Africa (SWA) and anticipated co-funding private companies. It is a 4-year programme with an approved total funding of 5 million euros. The programme falls under the EU-Liberia Agriculture Programme, which is part of the 2014-2020 National Indicative Program (NIP) for the 11th European Development Fund. The programme has been developed and agreed with the Liberia Government and allocates €279m of EU funding to support good governance, energy, education and agriculture.

The core implementation strategy of LICSIP is to promote farmers' access to a bouquet of production support services that leads to farm intensification, rehabilitation of moribund farms, new plantings on fallow lands and general extension services through the set up and operation of Centres for Cocoa Development (CCDs). Cocoa companies, farmer organisations and other supply chain actors will operate the CCDs in the cocoa regions as small medium enterprises (SMEs) to provide sustained services. LICSIP working with sector stakeholders will address and promote an improved institutional, policy and regulatory framework and a national cocoa platform to contribute to an improved sector governance, and access to employment (with focus on youth and other vulnerable groups) as improved access to global markets.

Solidaridad West Africa is the prime organization contracted by the EU in Liberia to manage the implementation of LICSIP. Solidaridad is a civil society organization that seeks to promote sustainable and inclusive supply chains. Solidaridad recognizes that other institutions in Liberia and the sub-region can play specified roles to support the implementation of specific activities under the planned result areas of LICSIP. One of the areas identified, for which this ToR is prepared to elicit technical assistance and support is the need to provide technical direction to the setup and operation of a national cocoa public-private partnership (NC3P) platform to support sector policy and regulations developments.

### **Objective of the assignment**

The overall objective of the ToR is to seek a technical assistance partner to contribute to the implementation of selected activities under Result Area 3 of LICSIP Programme Design - *Capacity of Sector Governance Structures Enhanced*. The specific activity under the Result Area would be to facilitate and manage over an initial two-year period a NC3P platform with the view to providing guidance on a long term embedding of the platform, its management and operations into a national institution. It must be emphasized that prior, to LICSIP, Liberia cocoa sector actors had created the Cocoa Sector Working Group (CSWG) that met periodically to discuss sector issues and engage with the appropriate sector regulatory institutions whilst ensuring internal harmonization of different cocoa sector intervention projects by NGOs and development agencies in the country. This was primarily to ensure efficiency through avoidance of programme duplication in the cocoa communities of Liberia.

## *LIBERIA COCOA SECTOR IMPROVEMENT PROGRAMME (LICSIP)*

The successful partner organization would be required to specifically address and deliver on the following:

- Identify and profile all public-private actors active in the cocoa sector of the country;
- Consult with the CWSG of the need for the bigger NC3P and engage them with the view of integrating them into the NC3P;
- Consult with the identified and profiled stakeholders to reach a consensus on the need for the NC3P, its operational charter and terms of references;
- Engage with Solidaridad as lead implementer of LICSIP in engagement that seeks to get national buy-in of NC3P with government;
- Build a consensus agreement around a new vision of the cocoa sector in Liberia in line with the spirit and intent of LICSIP and related goals and objectives of the new vision. This effort must lead to a defined long-term inclusive cocoa direction for Liberia;
- Ensure alignment of NC3P with efforts by Solidaridad and MoA/LACRA in developing a regulatory policy framework for the sector with the support of policy and institutional experts implanted by Solidaridad within the MoA/LACRA. Recognizing that Solidaridad had prior to LICSIP initiated a policy engagement process by developing and financing a comprehensive term of reference for LACRA to seek technical assistance support for the development of a draft regulatory and inclusive framework;
- Lead the launch of NC3P within the framework of LICSIP;
- Develop the first annual plan of activities for the NC3P and its corresponding budget for approval by Solidaridad;
- Ensure to create a secretariat for managing the NC3P within the framework of LICSIP for initial two years and lead the review of the functioning of the Secretariat at the end of two years towards embedding the secretariat and its operations in a national institution through consensus by the NC3P;
- Provide a participatory monitoring and evaluation framework for annual plans and activities of the NC3P.

### **Application process**

Interested organizations must apply by submitting a comprehensive step-wise process technical proposal on how to address the element of the ToR objectives above. The technical proposal must indicate what deliverables are expected or must be expected for each defined step in realizing the objectives of the ToR. The methodologies or approaches to be used and a justified analysis of why the methods proposed are the best for each of the defined tasks. The technical proposal may have the room to appraise the ToR in line with best practices in the convening of similar platforms and its operational management. Such specific examples must be mentioned.

Secondly, the technical proposal must have a corresponding two-year (initial) budget for the proposed sub-activity.

Both the technical and financial proposals must be sent by email to [macarthur@solidariadnetwork.org](mailto:macarthur@solidariadnetwork.org) with [isaacg@solidaridanetwork.org](mailto:isaacg@solidaridanetwork.org) in copy. The subject line must read “**LICSIP – NC3P Liberia**”. Deadline for submission of proposal is **June 08, 2018 by 16:00 GMT**.

Only the organization(s) whose application is (are) selected would be contacted before mid-June 2018 for the assessment. If one is not contacted by mid-June 2018, then one can conclude that the application was unsuccessful. Solidaridad would not provide unsuccessful applicants with any assessment results.

### **Eligibility requirements**

The successful partner must be either a local or international development organization with legal presence in Liberia. It must be able to provide verifiable evidence of experience in convening cocoa stakeholders or similar commodity stakeholders in Liberia or other West African countries and is best placed to use and adapt its experiences in support of this activity under LICSIP.

### **Assessment of technical and financial proposal**

The proposal will be assessed in two stages:

Stage 1 – Solidaridad will assess the technical soundness of the technical proposal based the following: Clarity of problem that each step of the process seeks to address, Clarity and feasibility of proposed intervention/activities and approach based on the reality of the cocoa sector of Liberia at the moment, technical competence and experience in convening multi-stakeholder platforms for supply chains. Solidaridad may choose to invite the applicant to discuss for a better understanding, its proposed approach and ask the applicant to go back and review sections of the technical proposal for resubmission. This is to ensure that the applicant is fully aligned with the spirit and intent of LICSIP and on-going development with MoA/LACRA in order not to ensure a totally new proposition that may be un-aligned with the purpose of LICSIP.

Stage 2 – The applicant would have the room to review its original budget after stage 1 is completed or may stick to the original budget. Solidaridad would analyze the budget basically ensuring that the time allotted, human resources required and time frame for activities assures value for money within the broader budgetary allocation for the Result Area within LICSIP. Appropriate negotiation of the budget would be done between Solidaridad and the applicant whose technical proposal has been accepted. The applicant as basis for contracting by Solidaridad would then submit a final budget.

**Monitoring & evaluation of the activity**

The Programme Lead for LICSIP would have the primary responsibility to monitor the implementation of the selected partner's work. This would be done through periodic meetings and constant consultation between the parties as would be enshrined in the contract agreement between Solidaridad and the partner.

**Reporting and communication on the activity**

Details on reporting and communication around the activity would be provided in the contract that would regulate the engagement of the partner (successful applicant)

**Duration of implementation of the activity**

This activity shall have an initial two-year contract from the date of signature of the contract. Apart from the periodic review of activities in line with objectives of the ToR, Solidaridad would do a participatory review of the activity two months before end of the two-year term contract to see whether there is the need to continue the activity in the same format or changed format towards the long term embedding of the NC3P in a national institution. The joint results of the assessment would be shared with the stakeholders in the NC3P



## 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"> <li>• Tendering for evaluator</li> <li>• Signing contracts</li> </ul>	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"> <li>○ Final Version</li> <li>○ Action Plan</li> <li>○ Presentation of the Access to Finance study</li> </ul>

## 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](mailto:vacancies.li@solidaridadnetwork.org) and copy [macarthur@solidariadnetwork.org](mailto:macarthur@solidariadnetwork.org). The subject line must read “LICSIP – Access to Finance”. Deadline for submission of proposal is **June 25, 2018 by 16:00 GMT**.

## 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.