REQUEST FOR PROPOSAL

RFP AGRA-NB-1251

MARKET INTELLIGENCE STUDY IN SUPPORT OF

MOZAMBIQUE AGRICULTURAL JOBS AND CLIMATE RESILIENCE INVESTMENT (MAJI)PROGRAM

Disclaimer | AGRA reserves the right to determine the structure of the process, number of short-listed participants, the right to withdraw from the proposal process, the right to change this timetable at any time without notice and reserves the right to withdraw this tender at any time, without prior notice and without liability to compensate and/or reimburse any party.

Section 1: Synopsis of the Request for Proposal

a)	Solicitation Reference No.	**RFP AGRA-NB-1251**
b)	Title of Consultancy	Market Intelligence Study in Support of Mozambique Agricultural Jobs and climate resilience Investment (MAJI) Program
c)	Eligibility	Open to all eligible consultants
d)	Location of the assignment	Mozambique
e)	Type of Consultant	**Consultancy firm**
f)	Issuing Office & Address	AGRA, Nairobi West End Towers, 4th Floor| Muthangari Drive, off Waiyaki Way | Nairobi Website: www.agra.org
g)	Point of contact for clarifications and questions	AGRA, General Procurement Email: Procurement@agra.org
h)	Bid Submission	Electronically via the AGRA Oracle SCM System
i)	Solicitation Issue Date	15th January 2025
j)	Deadline for submission of questions and clarifications	22nd January 2025
k)	Deadline for Answering questions and clarifications	24th January 2025
l)	Deadline for Submission of Proposals	29th January 2025
m)	Selection method	Quality and Cost Selection Method (QCBS) Weightage: Technical – 80%; Financial – 20%

1. Introduction

AGRA invites qualified consulting firms to submit proposals to provide Market Intelligence Study in support Mozambique Agricultural Jobs and climate resilience Investment (MAJI) Program. This document outlines the requirements and guidelines for the submission of proposals**.**

2. Background

a. AGRA

AGRA is a not-for-profit organization working with African governments, other donors, NGOs, the private sector, and farmers to improve the productivity and incomes of resource-poor smallholder farmers in Africa. AGRA aims to catalyze an inclusive agricultural transformation in Africa by increasing incomes and improving food security for millions of smallholder farmers in Africa. For more information about AGRA, please visit www.agra.org.

In alignment with global and continental development priorities, our thematic priorities have been oriented around:

- Strengthening seed systems.
- Developing and promoting sustainable farming practices.
- Helping to unlock trade, markets and finance.
- Supporting governments to lead their countries' agricultural sector development.

Across AGRA's four business lines, we seek to address gender and youth inclusiveness, climate resilience, and nutrition as cross-cutting themes. In Mozambique, AGRA focuses on the maize, soya bean and rice as primary value chains and cassava, sesame, cashew and honey as secondary value chains.

b. AECF

AECF is a development finance institution operating under the aegis of AGRA, as a fully owned subsidiary. Since 2008, the institution has developed strong capacity to support the private sector across the African continent, with specialization in agriculture and renewable and clean technologies. AECF mobilizes investment funding for early and growth stage socially inclusive enterprises and financial intermediaries (primarily microfinance institutions), provides technical assistance to build the capacity of the companies that it finances, and engages policy and advocacy support to influence the enabling environment in the markets where it works. AECF focuses on bridging the SME investment gap of critical sectors and nexus areas and invests in the missing middle with ticket sizes between US$ 100,000 and US$ 2 million. All AECF's investments require a high level of co-financing and disbursements are either result-based or performance-based to ensure private sector leverage as well as a high impact per US$ invested.

c. Background on the MAJI program

The MAJI (Mozambique Agricultural Jobs and climate resilient Investment) Program, funded by the UK Foreign, Commonwealth & Development Office (FCDO), aims to improve incomes, create better/more jobs for women and men in Mozambique and support their resilience to climate shocks. The program aims to increase the availability of finance and support catalytic investments that allow farmers and agri-SMEs to operate at scale and become more inclusive of small-scale producers and resilient to climate shocks. This includes supporting investments in agriculture value chains that are suited to the changing climatic context and avoiding those that increase climate vulnerability; promoting specific climate-smart alternative agricultural practices; incentivising the adoption of mitigation and adaptation measures to minimise climate and biodiversity risks such as inappropriate use of pesticides, land degradation, deforestation etc. and modelling the impact on smallholder vulnerability and exposure to climate, financial, food insecurity and social risks.

The program interventions will focus on Central and Northern Mozambique, potentially including Cabo Delgado, Niassa, Nampula, Zambezia, Tete, Manica, and Sofala. The Central and Northern region is selected considering the population density, poverty levels, and appropriate agro-climate conditions, where there is the greatest potential for creating market opportunities and linkages to smallholder farmers.

The program seeks to de-risk, stimulate and incentivize financial intermediaries, including private capital and public fund managers, to provide innovative financing to farmers, early-stage aggregators, processors, and agri-businesses. In addition, it will also build a strong and coherent portfolio of investable agri-businesses that can be of interest to UK BII, UK AgDevCo, WB IFC, and other investment vehicles, including private investors.

The overall approach to deliver on the objectives of MAJI is to create a special purpose vehicle that can provide a range of financing instruments and incentives to Mozambique's farmers and agricultural SMEs in view of making agrifood systems more resilient and inclusive of small-scale producers. The creation of the permanent special purpose vehicle which is open for other investors and donors, will depend on the outcome and results of the first 5 years phase which will run from 2024-2029.

The first phase of 5 years will focus on building out a grant mechanism that will target the agriculture sector to work with smallholder farmers and with the potential to promote climate resilience practices and investments. MAJI will support:

1. Early-stage small enterprises with ticket sizes of £75K to £125K that can proof that the existing financial sector has not been able to provide the required financing. The MAJI (concessional) funding will be complemented with business advisory services to improve the core business operations including finance, HR, marketing and planning.
2. Larger scale SMEs that can improve the overall governance of specific value chains with funding between £600k and £800k coupled with inclusive business development support ensuring more small-scale producers benefit from the companies' growth and promotion of climate smart practices. These SMEs will also need to provide evidence that the existing financial sector has not been able to provide the required financing.
3. An incentive-based payments mechanism for financial services providers that will be used to buy down the risk and cost of agrifood financing. This can take the form of a risk-sharing facility, interest rate rebates or a subsidy for operational costs.
4. Technical assistance to investees to improve the climate resilience of their business models, to leverage other investors as well as developing inclusive business models benefiting small scale producers.

Once the grant phase of MAJI is established, the intention is to develop a permanent Special Purpose Vehicle that will increasingly finance the agrifood sector with concessional funding provided by other development finance institutions and donors to on-lend or invest through various mechanisms to the sector.

Key stakeholders include but are not limited to:

- Public Sector: MADER, MIC, FNDS, Banco de Moçambique (BM)
- Financial Institutions: Commercial Banks, SOFID, FIDA, MFIs
- International financing institutions: World Bank, IFC, IFAD, AfDB, FAO, GIZ, KFW, USAID
- Private Sector: GAPI, Agribusinesses (anchor firms, SMEs, larger companies), cooperatives and Farmer Associations with a priority for those in value chains supported through other programs (AGRA, FCDO, SDC, EKN and others)
- Civil Society: Farmer Groups, NGOs (e.g. FENAGRI, DAI, NCBA-CLUSA, ACDI-VOCA, Technoserve, IDE), Research Institutions (e.g. IIAM, IITA)

3. Objectives

The primary objective of this market assessment is to update and complement the existing market studies including the ones done by Aceli Africa (2022), Resilience (2021) and Technoserve (2023)[1] on the current agricultural market landscape in Mozambique and the services providers (both financial and non-financial), with a particular focus on the Northern and Central provinces of the country, identifying opportunities and barriers for:

1. Agrifood companies to become more climate resilient and inclusive of small-scale producers.
2. Financial services providers to increase their portfolios in the agrifood sector considering the climate and other risks and costs associated with rural operations and smaller loan sizes
3. Technical services providers (including enterprise support organizations, consultants, government institutions, business membership and sector associations) to enhance and scale the knowledge and coping mechanisms for adaptation to and mitigation of climate change in the agrifood and financial services sector.

The market assessment seeks to provide the **evidence and justification** for:

- the choice of priority value chains and the main market actors that can deliver on the MAJI objectives
- the eligibility criteria for the investees, both the smaller and the larger SMEs based on their potential to adapt to and build resilience to climate change in the value chain.
- the use of the grant funds that will respond to the MAJI objectives, including the cost sharing required as well as the potential to attract other funders to MAJI

- the technical services providers to be invited for supporting the Agri SMEs, based on their knowledge, network and experience in Mozambique in complement to AECF provided technical and investment advisory.

Specific objectives include:

- Having the data and justification to draft the call for proposals for the 3 funding windows (small SMEs, larger SMEs and financial services providers) and the technical assistance components
- Having a long list of qualifying partners, both potential grantees and technical services providers for the implementation of MAJI
- Having an overview of the barriers and opportunities for agrifood sector market actors to become more climate resilient and adapt to climate change.

4. Scope of Work

The assessment will cover the following key areas:

1. Geographic Focus: The assessment will cover Mozambique with a focus on the Northern and Central provinces within Mozambique where the MAJI program will focus its operations.
2. Target Groups: Special attention will be given to Agri SMEs in the networks and priority crops of AGRA, FCDO and AECF
3. Data Collection: Utilize a combination of qualitative and quantitative methods, including surveys, focus group discussions, and interviews with key stakeholders including but not limited to Anchor firms, SMEs, cooperatives, buyers, NGOs, government agencies and Financial and Technical services providers (banks, funds, microfinance and BDS providers).
4. Stakeholder Engagement: Additional interviews with Agricultural development programs like PROMAS, EKN programs, IFAD investments and local organizations, government bodies, and other stakeholders to gather insights on opportunities and barriers in accessing finance for Agri SMEs and validate the findings.

5. Deliverables

The following deliverables are expected from the market assessment:

i. Inception Report: A report outlining the methodology, timeline, and data collection plan, to be submitted within two weeks of the commencement of the assessment.
ii. Draft Report: A draft report detailing the findings and preliminary recommendations, to be shared for stakeholder feedback within two months of starting the assessment.
iii. Final Report: A final report incorporating stakeholder feedback, to be submitted within one month of receiving feedback on the draft report.
iv. Presentation: A presentation summarizing key findings and recommendations to be delivered to the MAJI program team and relevant stakeholders.

6. Methodology

Applicants are free to propose any methodology that will generate the information needed for the study, but it is suggested that as a minimum the following elements are elaborated:

1. Desk Review: Analyze existing literature (reports mentioned above) and data on agricultural markets in Mozambique and identify key stakeholders.
2. Field Research: Conduct primary data collection through surveys and interviews with stakeholders in the targeted districts.
3. Data Analysis: Where necessary, utilize statistical tools to analyze quantitative data and thematic analysis for qualitative data.

7. Location and nature of the assignment

We expect this assignment to be conducted remotely and in Mozambique, with a focus on Northern and Central regions. The consultant will need to provide details on travel and logistical requirements (if any) that are expected from AGRA.

8. Duration

The assignment is expected to be carried out for a period of three (3) months.

9. Reporting, Communication and Coordination

The consultant will report to AGRA's Head of Inclusive Finance, the Head of Agribusiness development in AECF and the AGRA Country Director in Mozambique. The reports need will be submitted to AGRA's Head of Inclusive Finance.

10. Qualifications and Experience

i. Demonstration of experience in similar assignments. In this regard, firms shall be required to share a reference list of similar assignments carried out.
ii. The firm shall have presence in Mozambique and demonstrate experience in working in other African countries.
iii. Consulting firms are required to propose an expert team that meets the requirements of the assignment, ensuring appropriate language skills and the ability to operate effectively in remote parts of the country with attendant security challenges. It is, however, expected that the team will include the following competencies as a minimum, recognizing that one individual may cover more than one area of core competency:

a. Team Leader

With overall responsibility for technical and operational delivery of the project, the team leader should be an agricultural economist with at least 15 years of experience in the design and delivery of donor funded interventions in the sector. He/she should have significant experience in Mozambique, good contacts with national & local agricultural stakeholders including government officials and fluent in Portuguese and English.

b. Agricultural financing expert:

This expert should have a higher degree in a relevant field/subject and at least 15 years of experience. S/he should have comprehensive understanding of Agri SME financing in Africa with specific experience in Mozambique. Understanding of risk sharing and mitigation mechanisms available for agrifood sectors as well as a good understanding of the financial services provider landscape in Mozambique.

c. Climate resilience and risk specialist:

Significant experience of at least 10 years in the assessment of climate risks and the mitigation and adaptation strategies available to cope with the risks. Understanding of green finance taxonomy and risk mitigation and sharing mechanisms in financial institutions and agrifood sectors.

d. Gender, youth and inclusive expert:

Experience of at least 5 years in the development of inclusive approaches to research to ensure that women, young people and other groups are effectively integrated into the research and their voices are heard in the analysis.

11. Evaluation Criteria

a) **Mandatory Requirements if firms are targeted:-**

i) Company profile.
ii) Trading license or Certificate of incorporation or Certificate of Registration
iii) Valid Tax Compliance certificate (Applicable to firms originating from Kenya, Rwanda, Ghana, Tanzania, Malawi and Mozambique).
iv) CVs of Key personnel.

b) **Technical Evaluation Criteria Summary**

Interested firms shall be evaluated against the following technical evaluation criteria:

a. Organizational Experience in Similar Services (30%)

i) Company profile, background, size, mission, and history.
ii) Company accreditations, certifications, industry standards, or formal recognitions relevant to the services.
iii) Company experience and client portfolio relevant to the assignment.
iv) Company presence in Mozambique and demonstration of experience in working in other African countries.

b. Proposed Approach, Methodology and Work Plan (30%)

i) Demonstrated Understanding of the ToR
ii) Understanding of the project/assignment requirements, practicality of the proposed methodology relative to the context of the assignment, proposed work plan, staffing schedule, risk assessment and mitigation strategies integrated into the assignment, planning, appropriateness of the implementation schedule to the project timelines and project quality assurance measures.

c. Qualifications and Experience of Key Personnel (40%)

As outlined in section 10 above.

NB: Only Firms with the best technical proposal equal or above 75% shall be considered for financial negotiations.

Weightage: Technical – 80%; Financial – 20%

12. Copyright

All materials / documents arising out of this consultancy work shall remain the property of AGRA.

13. Proposal Submission Requirements for firms

To be considered for this consultancy, consultants must include the following in their proposal:

a. Technical Proposal (see template in annex 1)
    - Technical submission letter
    - Detailed reference list indicating the scope and magnitude of similar assignments carried out
    - Approach and methodology to deliver on the scope of work
    - CVs of key personnel
    - Staffing schedule
    - Proposed work plan

b. Financial Proposal (see template in annex 2)
    - Financial submission letter
    - Detailed cost breakdown (including fees, taxes, etc.)
    - Payment schedule based on deliverables or milestones

14. Payments

a. **Invoices**

The consultant shall submit invoices to AGRA as per guidance provided in the contract. Payments are made upon AGRA's approval of deliverables, which must incorporate AGRA's comments.

b. **Reimbursable costs**

Reimbursable expenses, pre-approved by AGRA, must be invoiced with valid receipts. They will be paid with the consultancy fees if documentation is complete and satisfactory.

15. Proposal Submission Instructions

Proposals shall be submitted electronically through our oracle system by the deadline indicated in the system.

i. Bidders shall use the bid submission forms that have been provided under Annex 1 & 2.
ii. The proposals **SHALL** be submitted via oracle system by the deadline indicated on the **oracle system**.
iii. The Proposals shall be prepared in **English.**
iv. Late submissions will not be accepted, as the system is configured to automatically reject proposals after the deadline. To avoid any issues, especially for new users, bidders are strongly encouraged to submit proposals at least one day before the deadline**.**
v. AGRA assures bidders that we can't access proposals before the deadline provided by the system.
vi. **VALIDITY** of the proposal shall be for a period of **90 day**s from the date of bid closure.
vii. The detailed financial proposal shall be uploaded under the lines section in oracle.
viii. The financial proposal shall include all taxes. If the financial proposal is silent on taxes, AGRA shall assume that these are inclusive.
ix. Prices must be quoted in GBP Currency and USD ($) equivalent. Contracting will be in GBP and bidders are encouraged to have a GBP bank account.
x. Please note that the oracle system will seal the financial proposals until the technical evaluation is completed.
xi. All communications regarding the RFP should be directed to procurement@agra.org

16. Contract template

Please refer to Annex 4 for the contract template.

17. Annexes

Annex 1: FIRM- TECHNICAL PROPOSAL SUBMISSION FORM.docx
Annex 2: FIRM- FINANCIAL PROPOSAL SUBMISSION FORM.docx
Annex 3: AGRA Partner code of conduct: LINK
Annex 4- Contract template: MzN Consultancy Agreement (company).pdf