

**REQUEST FOR PROPOSALS
CONSULTANT SELECTION**

**FINANCIAL INCLUSION FOR SUSTAINED
INCOME GROWTH FOR RURAL
SMALLHOLDER HOUSEHOLDS IN THE WEST
NILE REGION OF UGANDA**

**VISIONFUND UGANDA
UGANDA**

JANUARY 2025

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Section 1. Letter of invitation

Montrouge, 27/01/2025

Dear Sir or Madam,

The Foundation invites proposals to provide the following consulting services: **“Financial inclusion for sustained income growth for rural smallholder households in the West Nile Region of Uganda” on behalf of VisionFund Uganda**. For further information on the activities to be conducted, please refer to the Terms of Reference in Section 3 of the document.

The Consultant will be selected under selection based on consideration of quality and cost (SBQC) and procedures described in this document. **The budget relating to this mission cannot exceed fifty-eight thousand five hundred euros, excluding tax (58,500 EUR excluding tax)**. This budget includes consultancy fees, travel expenses of consultants, achievement of the deliverables and the provision of the trainings planned within the framework of the mission.

This call for proposals includes the following sections:

- Section 1 - The Letter of Invitation
- Section 2 - Instructions to Consultants
- Section 3 - Terms of reference

Yours sincerely,

Hanadi TUTUNJI & Maria FRANCO
Technical Assistance Programme Managers

Section 2. Instructions to Consultants

1.1 Name of project owner: Grameen Crédit Agricole Microfinance Foundation represented by Mrs Hanadi TUTUNJI and Mrs Maria FRANCO, Technical Assistance Programme Managers

Selection method: selection based on consideration of quality and cost (SBQC)

1.2 Name, objectives and description of the mission: **Mission "Financial inclusion for sustained income growth for rural smallholder households in the West Nile Region of Uganda"** on behalf of **VisionFund Uganda, in Uganda.**

The Project Owner provides the following inputs: any available document that could be useful for the proper conduct of the mission.

1.3 Clarifications may be requested up to 2 (two) days before the submission date. Requests for clarification should be sent by e-mail to the following addresses:

- maria.franco@credit-agricole-sa.fr
- hanadi.tutunji@credit-agricole-sa.fr

Proposals will be submitted in the following language: **English**

2.1 i) The estimated number of professional staff-days required for the assignment is: **70 to 75 days.**

- ii) The minimum required experience of proposed professional staff is:
- Proven experience in agricultural value chain analysis and market studies.
 - Expertise in designing and implementing agricultural lending programmes.
 - Strong knowledge of de-risking mechanisms for agricultural finance.
 - Experience in conducting capacity-building and training programmes.
 - Familiarity with smallholder farming systems and rural financial inclusion.
 - Carrying out similar missions.
 - Experience in East Africa and more particularly in Uganda.

iii) Reports that are part of the assignment must be written in the following language(s): **English**

2.2 Training is a major component of this assignment: **Yes**

2.3 Consultants shall state their price component for cost incurred in Euro. Consultants who intend to incur costs in other currencies for the assignment may state the corresponding price component in Euros.

2.4 Proposals must remain valid 60 days after the submission date.

- 2.5 Consultants must submit an electronic version of each proposal (one version for the technical proposal and one version for the financial proposal).

The CVs sent by the Consultants must not exceed 5 pages and the experiences/previous missions related to this proposal must be clearly indicated. The Consultants' financial proposal must clearly distinguish consultancy fees/costs and travel expenses.

- 2.6 The Consultant, for his/her application to be valid, must sign and annex to the technical offer a declaration of integrity in the form described in Appendix 1. This declaration binds the Consultant for the entire duration of the call for tenders, and if his/her offer is accepted, for the duration of the Market.

- 2.7 The Consultant takes note that this declaration provides that GCAMF reserves the right to have the Consultant's files and archives relating to the contract inspected and copied by the auditors they appoint, as well as by any authority or institution. of the European Union or any competent body under European Union legislation.

- 3.1 Consultants must submit an electronic version of the Proposal to the following addresses:

- maria.franco@credit-agricole-sa.fr
- hanadi.tutunji@credit-agricole-sa.fr

Proposals must be submitted no later than the following date and time: **17/02/2025 by 6 PM (Paris time)**

- 4.1 The number of points awarded for each evaluation criterion and sub-criterion is as follows (indicative values):

- 4.2 Points

i) Profile of principal Consultant(s):

- Proven relevant experience (see point 2.1 on the Instructions to consultants' section) [0 – 20]
- Proven knowledge and experience in strengthening technical capacities [0 - 10]
- Similar country experiences and region at large [0 – 10]

Sub-total: [0 - 40]

ii) Technical offer:

- Comprehensive understanding of the ToR [0 – 5]
- Degree of critical analysis of the requested service [0 – 5]
- Clarity of the offer [0 – 10]
- Proposed approach [0 – 35]

Sub-total: [0 - 55]

iii) Participation of local staff among the proposed consultancy team [0 – 5]

Total: [0 – 100]

The minimum technical score (TS) required to pass is:

60 points

Currency used for price conversion: Euro

- 4.3 The respective weights assigned to the technical and financial Proposals are:
Technical proposal = 0.8, and
Financial proposal = 0.2
- 4.4 Negotiations may take place by email, telephone or digital platforms (Zoom, Skype, Webex, Teams, etc.).
- 5.1 Expected date for commencement of the mission is planned for **March 2025** (but the exact date will be agreed with **VisionFund Uganda**).

The mission will take place in Kampala, Uganda. Travels are planned in regions where **VisionFund Uganda** operates.

Section 3. Terms of reference

I. Context

Agriculture is Uganda's main economic sector, accounting for 27% of gross domestic product (GDP) and employing 73% of the labour force. Over the past three decades, agriculture share to GDP on average has experienced a slow but almost steady decline from 53.7% in 1982 to 23.7% in 2020 due to growth in the industrial and service sectors. Despite this decline, agriculture remains the key source of exports contributing 46% of total exports.

The majority of Uganda's 42 million people live in the rural areas. Agriculture accounted for 79% of national poverty reduction between 2013-2019, implying that investment in the sector is critical for poverty reduction.

Uganda has made significant progress in relation to women's engagement in the agricultural sector in the five domains of empowerment (5DE): agricultural production, resources, income, leadership and time evidenced by the steady decline in the female share of youth illiteracy in the population from 58% in 2010 to 52% in 2015. Despite their critical and potentially transformative role in agricultural growth, Ugandan women are relatively disadvantaged with regards to land ownership and labour market participation. They constitute only 16.3% of the total agricultural landholders and have even less access to other factors of production including to affordable finance. Financial inclusion in Uganda is low, and almost one third of the rural population has no access to financial services. Expansion to credit, especially to farmers is limited by rural populations' lack of access to affordable financial services.

Financial service providers are mostly profit driven so find these clients a 'high cost-low return' segment. This has therefore created a situation where smallholder farmers needing capital to grow their farming enterprises are not serviced. For VFU, the available business loan product to facilitate a smallholder farmer who has a seasonal cashflow creates an obstacle for borrowing. The levels of education in the rural areas remain a challenge too and this affects the smallholder farmer access to services which they cannot articulate. They therefore require handholding to explain to them the available products, best use and how they could access them, or they lose out to even what is existing.

In other instances, their proximity to available financial services is still a hinderance as they have to walk long distances or spend material amounts in order for them to reach the service. All these factors and more hinder smallholder farmer growth including of their safety nets.

VisionFund Uganda Limited (VFU) is a Tier 3 microfinance institution that was established in 1996 by World Vision Uganda (WVU) and an investee of Grameen Credit Agricole Foundation (GCAF) since 2021. It is registered as a credit-only MFI and regulated by the Uganda Microfinance Regulatory Authority (UMRA). VisionFund serves low-income clients living in vulnerable and rural communities by:

- offering financial and livelihood solutions, delivered through its network, World Vision and partners;
- empowering families to create income and jobs;
- and unlocking economic potential for communities to thrive.

The products and services currently offered by VFU fall into five broad categories: microloans, savings programmes, microinsurance, training and education. Benefits include sustainable livelihoods, increased economic well-being, improved community well-being, decreased dependence on outside aid and restoration of hope and dignity.

VF Uganda's strategic direction is to increase access to finance for women and refugee communities practicing agriculture, but also to impact over 360,000 children in the Peri-Urban, rural and vulnerable communities while aligning the footprint with World Vision Area Programs.

II. Objectives

The overarching objective of the project is to increase VFU's capacity to enable the development of suitable agricultural products for smallholder households in the West Nile Region of Uganda.

VFU has been lending into the agriculture sector but rather reservedly due to risk of default. The project therefore is proposed to support VFU with an overall product and associated processes and systems which would allow for lending into economically viable Value Chains and in a manner which also ensures that VFU is able to minimise default thereby increase its lending portfolio into the segment. Through this project the smallholder farmer will have access to formal financial services, tailored for their specific agricultural enterprises, provide them access to capital closer to their communities.

III. Activities to be carried out and expected deliverables

The mission's overall objective is to:

1. Conduct a Value Chain Analysis and Market Study to identify high-potential agricultural value chains for scaling up.
2. Develop a tailored Agricultural Lending Programme, including loan products and operational frameworks, to effectively serve smallholder farmers.
3. Build VFU's internal capacity to deliver and scale agricultural lending services through training and process development.

The consultant will favour a participatory and dynamic approach in the implementation of all the mission's activities. To achieve the objectives of the mission, the consultant must notably carry out the following activities:

1. Conduct Value Chain Analysis and Market Study

- Identify and evaluate agricultural value chains in VFU's target regions.
- Assess the economic potential, market demand, and scalability of each value chain.
- Recommend priority value chains for focus and scale-up.

Deliverables:

- Comprehensive Value Chain Analysis Report.
- Recommendations for the most viable value chain(s) for VFU to target.

2. Develop Agricultural Lending Programme

- Design customized agricultural loan products based on insights from the value chain analysis.
- Refine existing loan products (if applicable) to align with identified value chain features.
- Define lending processes, compliance manuals, and de-risking mechanisms, including loan appraisal and assessment frameworks.
- Pilot-test loan products, gather feedback, refine them, and prepare for full-scale roll-out.
- Design a customised agricultural loan appraisal/assessment tool that includes establishment of net incomes and pertinent financial ratios to determine capacity
- Develop marketing materials for the new or refined agricultural loan products

Deliverables:

- Product Designs for Agricultural Loans (including terms, eligibility criteria, repayment plans, and risk mitigation strategies).
- Lending Processes and Compliance Manuals.

- Pilot Testing Report with recommendations for refinement and scaling.
- Loan appraisal template
- Marketing materials (i.e. flyers, banners, other) in the local languages for increased client experience

3. Conduct Agricultural Lending **Trainings**

- Deliver induction and refresher training for VFU staff on agricultural loan products, appraisal processes, and compliance.
- Train staff on the specifics of serving smallholder farmers and mitigating risks in agricultural lending.
- Train staff in establishing an appropriate loan interest margin cognisant of the small holder farmer's on sale profit margins.

Deliverables:

- Training Materials (manuals, presentations, etc.).
- Training Sessions for VFU staff (induction and refresher programs).
- Training Completion Report, including evaluation and feedback.

4. Capacity Building for Credit Staff

- Enhance the skills and capacity of credit officers to deliver agricultural loan products effectively.
- Provide hands-on support and coaching in loan appraisals and client interactions.

Deliverables:

- Capacity Building Plan.
- Training modules.
- Credit Staff Coaching Reports.

5. Develop a Product Scale-Up Strategy

- Design a strategic roadmap for scaling up agricultural lending operations, including timelines, resource requirements, and performance metrics.
- Establish an agricultural lending unit within VFU to ensure dedicated and sustainable service delivery.

Deliverables:

- Product Scale-Up Strategy Document.
- Recommendations for Agricultural Lending Unit Structure and Governance.

IV. Expected results

- VFU has a clearly defined agricultural lending programme with suitable products and processes.
- Staff are equipped with the necessary skills to deliver agricultural loan services effectively.
- A robust scale-up strategy ensures the sustainability of agricultural lending operations.
- Increased productivity and financial inclusion for at least 3,000 smallholder farmers in VFU's target regions.

V. Additional information

The field phase of the mission must take place in Kampala, Uganda with travel to local branches. The entire mission must be carried out and the deliverables finalised within 18 months after signing the contract.

Appendix 1 – Integrity Statement

“We represent and undertake that neither we nor any other person, including our officers, employees, representatives, joint venture partners or subcontractors acting on our behalf in reliance on our proper instructions or with our knowledge and agreement, or with our consent, have committed or are committing any prohibited maneuverer (as defined below) in connection with the tender procedure or in the framework of the execution or supply of works, goods or services concerning the mission **“Financial inclusion for sustained income growth for rural smallholder households in the West Nile Region of Uganda”** (the “market”), and to inform you in the event that such prohibited maneuverer would be brought to the attention of any person responsible, within our company, for ensuring the application of this declaration.

During the duration of the call for tenders procedure and, if our offer is accepted, for the duration of the market, we will appoint and maintain in office a person – who will be subject to your approval, and with whom you will have a unlimited and immediate access – and who will be responsible for ensuring, by having the necessary powers for this purpose, the application of this declaration.

We represent and undertake that neither we nor any other individual, including our officers, employees, representatives, joint venture partners or subcontractors acting on our behalf in reliance on our proper instructions or with our knowledge and understanding, or with our consent,

- (i) are subject to or otherwise subject to EU or UN sanctions and,
- (ii) in connection with the execution of works or the supply of goods or services under the contract, does not act in violation of EU or UN sanctions.

In the event that such a situation is brought to the attention of any person in our company responsible for ensuring the application of this declaration, we undertake to inform you.

If (i) we or any officer, employee, representative or joint venture partner, if any, acting as set out above, have been convicted/convicted by any court of law or sanctioned(s) by any authority for any offense involving a prohibited maneuverer in connection with a tender procedure or a contract for the supply of works, goods or services during the five years preceding immediately the date of this declaration, or (ii) any such officer, employee, representative or representative of a joint venture partner, if any, has been terminated or resigned from any employment either for having been involved in a prohibited maneuverer, or (iii) we or an officer, employee, representative or joint venture partner, if any, acting as indicated above have been excluded or otherwise sanctioned/ sanctioned by European institutions or by a major multilateral development bank (World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank or Inter-American Development Bank, among others) participation in a tender procedure due to prohibited maneuverers, you will find below details about this conviction, dismissal or resignation or exclusion, as well as details of the measures we have taken, or take, to ensure that neither we nor any of our employees will commit any prohibited acts in connection with the market [give details if necessary].

We grant to the Grameen Crédit Agricole Foundation and the auditors appointed, as well as to any authority, European institution or body competent under European Union legislation, the right to inspect and copy our files and archives and those of all our subcontractors as part of the contract. We agree to keep those files and archives for the period generally provided for by the legislation in force but, in any event, for at least six years from the date of submission of tenders and, if the contract is awarded to us, at least six years from the date of provisional receipt of the contract.”

**Signature of the consultant,
preceded by the words “Read and approved”**

<p><u>Name and Surname</u> <u>Position:</u> <u>Signature:</u></p>
