

REQUEST FOR PROPOSALS CONSULTANT SELECTION

SUPPORT FINANCIAL INCLUSION OF SMALLHOLDER FARMERS IN MALAWI

VISIONFUND MALAWI MALAWI

FEBRUARY 2025

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Section 1. Letter of invitation

Montrouge, 04/02/2025

Dear Sir or Madam,

The Foundation invites proposals to provide the following consulting services: **“Support financial inclusion of smallholder farmers in Malawi” on behalf of VisionFund Malawi**. 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 one hundred and nine thousand eight hundred and fifty euros, excluding tax (109 850 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 "Support financial inclusion of smallholder farmers in Malawi"** on behalf of **VisionFund Malawi, in Malawi.**

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:
- Expertise in market assessment and value chain analysis, particularly in the agricultural sector.
 - Knowledge of smallholder farming systems and rural economies
 - Experience in designing and refining agricultural financial products, including loans, savings, and insurance.
 - Understanding of microfinance institution (MFI) operations and strategies.
 - Skilled in reviewing and updating credit policies and procedures for MFIs.
 - Expertise in creating financial education programmes and training materials tailored to diverse client groups.
 - Proven experience in conducting client and staff training sessions, including developing user-friendly manuals and delivering engaging workshops.
 - Carrying out similar missions.
 - Experience in Southern Africa and more particularly in Malawi.

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 the following budget lines:

- **Consultancy fees/costs**
- **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: **25/02/2025 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 **April 2025** but the exact date will be agreed with **VisionFund Malawi**.

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

Section 3. Terms of reference

I. Context

Agriculture accounts for 30% of Malawi's Gross Domestic Product (GDP) and is important to the livelihoods of more than 90% of the population providing direct and indirect employment, economic growth, export earnings, poverty reduction, food security, and nutrition (WBG, 2023). Productivity of the Malawian agricultural sector is below potential despite the apparent success of the Farm Input Subsidy Program (FISP) that reportedly increased maize productivity from 1480 kg/ha in 2006 to 2100 kg/ha in 2013 (IFC, 2020).

Turning the country's agriculture sector into an engine for growth has been a long-term development goal for Malawi for many years (USAID, 2019). Maize is the major food crop and is the focus of Malawi's policy agenda, but tobacco has been and continues to be the dominant cash crop. Key additional cash crops include dried legumes, sugarcane, tea, cotton, and nuts (USG, 2023).

Diversification and the adoption of climate smart practices will require investment throughout respective value chains. Despite the presence of numerous financial institutions in Malawi, access to finance for smallholder producers is poor. Two major obstacles in accessing finance for agriculture in Malawi are:

- I. the high cost of finance from the private sector where interest rates are far higher than other countries in the Southern African Development Community (SADC) region.
- II. asymmetry of information on access to alternative financing within the financial sector and especially for agriculture are not being used effectively and/or communicated to farmers to apt into investment decision making.

VisionFund Malawi (VFM) is a Christian owner-operated mission-driven microfinance network working with caregivers in hard to reach, impoverished locations so they can create secure futures for their children. The institution serves low-income clients living in vulnerable and rural communities by

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

Since 2000, VisionFund Malawi has provided microcredit services targeting less resource endowed clients in rural Malawi who would otherwise have little or no access to credit. Its financial products empower communities, playing significant role in poverty alleviation.

VFM seeks to address the challenges faced by smallholder farmers by proposing three strategic imperatives:

- Undertake refined market and value chain assessments.
- Restructure operational resources.
- Review and scale up the existing financial education curriculum for both staff and clients.

II. Objectives

Decreasing farm yields attributable to poor crop choice and inputs, unstructured access to markets, expensive or lack of access to affordable finance for agriculture, information asymmetry, and climate change are key constraints to enhancing resilience of smallholder farmers and agro-small and medium scale enterprises (SMSE). Therefore, overarching objective of the project is to increase VFM's capacity to develop suitable agricultural products to the target clients. The project will support financial inclusion for smallholder farmers in the Central and Southern Region by:

- Improving financial capabilities and smallholder household resilience,

- Strengthen the internal agricultural credit and insurance provision capability of Vision Fund Malawi; and
- Unlock finance to producers and small and medium scale enterprises, buy-down the risk of lending (especially in climate-risk prone Southern Malawi).

III. Activities to be carried out and expected deliverables

The mission's overall objective is to improve the agricultural financing offerings of VisionFund Malawi, including product development, client education, and staff capacity building, through comprehensive market analysis, product refinement, and tailored training programmes.

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. Market Assessment and Value Chain Analysis

Objective: Conduct an in-depth market assessment and value chain analysis of existing value chains (soybean, groundnuts, and rice) and identify potential new crops or commodities with viable market potential. This analysis phase will also allow to take into consideration other potential value chains which would be identified by the consultant.

Activities:

- Assess market dynamics, profitability, and growth opportunities for soybean, groundnuts, and rice value chains for smallholders and other market actors
- Identify and analyse new, promising value chains suitable for agricultural financing.
- Evaluate demand, supply gaps, and financing needs along these value chains.
- Customize the analysis to align with the needs and capacities of VFM

Deliverables:

- A comprehensive market assessment report detailing findings and recommendations.
- Value chain analysis reports for soybean, groundnuts, rice, and any identified new viable crops.

2. Review of VFM Credit Policies and Procedures for Agriculture

Objective: Ensure VFM's agricultural credit policies and procedures are robust, efficient, and aligned with market needs.

Activities:

- Review existing VFM credit policies and procedures.
- Benchmark against best practices in agricultural financing.
- Identify gaps and areas for improvement.

Deliverables:

- A report with recommendations for refining VFM's credit policies and procedures for agriculture.

3. Refinement and Design of New Agricultural Lending Products

Objective: Develop and refine agricultural financing products that cater to the needs identified in the market assessment.

Activities:

- Design new agricultural lending products, including loans, insurance, and savings, based on the assessment.
- Align lending products with the VFM Agricultural Financing Strategy.

Deliverables:

- Detailed product descriptions for new and refined lending products.
- A strategy document for integrating new products into the VFM portfolio.

4. Development of a Financial Education Programme for Clients

Objective: Enhance clients' financial literacy to optimize the use of agricultural financial products.

Activities:

- Develop a financial education curriculum tailored to VFM clients.
- Create client-friendly training materials and tools.

Deliverables:

- Financial education program framework.
- Training materials, including brochures, manuals, and multimedia content.

5. Client Training Delivery

Objective: Empower clients with the knowledge and skills to utilise VFM's agricultural products effectively.

Activities:

- Organise and conduct client training sessions.
- Ensure inclusivity, targeting diverse client groups, including women and smallholder farmers.

Deliverables:

- Training sessions delivered to clients.
- Post-training evaluation report summarising client feedback and learning outcomes.

6. Staff Training and Capacity Building

Objective: Equip VFM staff with the skills and knowledge to deliver and manage agricultural financial products effectively.

Activities:

- Develop staff training manuals on refined agricultural loan products, policies, and procedures.
- Conduct initial and refresher training sessions for staff.

Deliverables:

- Comprehensive staff training manuals.
- Successful delivery of training sessions and post-training assessments.

IV. Expected results

- Three existing Agriculture loan products (Tilime, Dzinja and Nthilira) are enhanced/modified and re-launched.
- Increased financial literacy among VFM clients, enabling better utilisation of products with at least 4,000 smallholder farmers trained in financial education, of which 50% are women.
- Improved staff capacity to deliver and manage agricultural financing solutions effectively with at least 20 staff trained on the refined product features and new policy, procedures and processes.

V. Additional information

The field phase of the mission must take place in Lilongwe, Malawi 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 **"Support financial inclusion of smallholder farmers in Malawi"** (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></p> <p><u>Position:</u></p> <p><u>Signature:</u></p>
