

CALL FOR MAIZE VALUE CHAIN FINANCING PROPOSALS

1. Background

About Access to Finance Rwanda (AFR)

AFR is a Rwandan not for Profit organisation, established in March 2010 by the governments of the United Kingdom (UK) and Rwanda and with support from the UK Department for International Development (DFID), and the World Bank. Existing funders of AFR include DFID, The MasterCard Foundation, Sweden and USAID. AFR's strategic focus is stimulating financial sector development by partnering with financial institutions and other stakeholders to increase access to and use of financial services. We identify and address constraints that prevent the financial market from reaching Rwanda's low-income population, and promote innovations and learning that result in sustainable change in the financial sector. Improving access to financial services for the rural poor and women is a particular focus. In line with its mandate, AFR has been at the helm of supporting agriculture finance as a way to reach out to many rural Rwandans as possible. AFR completed implementation of Phase I (2010-2015) of its programme and is currently in Phase II (2016-2020). One of the key focus areas of Phase II is to increase the supply of financial products in the agricultural sector. In Phase II AFR will focus on addressing systemic barriers to increase financing in five value chains namely: tea, coffee, Irish potatoes, maize and dairy.

About Alliance for a Green Revolution in Africa (AGRA)

AGRA is a dynamic partnership working across the African continent to help millions of smallholder farmers out of poverty. Under its new strategy (2016-2020) AGRA is seeking to catalyze an agricultural transformation in eleven (11) key focus countries namely; Burkina Faso, Ghana, Mali, Nigeria in west Africa and Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania and Uganda in east and southern Africa. AGRA's mission is to trigger an African-led green revolution based on smallholder farmers in Africa with key goals by 2020 being; i) Double the incomes of at least 30 million farm households through productivity improvements and access to markets and finance; ii) Ensure all focus countries are on a pathway to attain and sustain an agricultural transformation through sustainable agricultural productivity growth and access to markets and finance. AGRA and its partners will achieve these by working together in an integrated value chain approach to support smallholder farmers in Africa to produce sufficient food for their household needs and surplus for income generation.

2. Purpose of the call for proposals

AFR and AGRA share a common vision of poverty elimination in the rural areas whose main economic driver is agriculture. Partnerships and alliances have been identified as one of the main approaches to address the challenges faced by the smallholder farmers. In recognition of this reality, they have decided to partner together in this particular maize value chain intervention in Rwanda. There are some compelling reasons for the selection of the value chains by AFR and AGRA. The maize value chain has the potential to alleviate poverty to millions of households, create employment and contribute to the national economic goals as elaborated in the Rwandan Vision 2020. According to USAID report 2015, more than one



million mainly small scale farmers in Rwanda grow maize in a proximately 300,000ha. A key approach is to integrate the rural poor especially women and marginalised groups in the maize value chain to improve incomes, employment opportunities and ability to respond to market demand and opportunities based on agreements with actors in agri-business. AFR-AGRA aims to promote maize value chain financing and link smallholder farmers to financial institutions. This will support finance flow within the value chain and leverage on value chain relationships to mitigate financing risks as opposed to collateral requirements.

AFR and AGRA acknowledge that technology will be a key driver of financial inclusion in the 21st century. Mobile banking, agency banking, digital payments and other innovations have contributed immensely to greater financial inclusion in Rwanda. AFR in its Phase II has come up with digital innovations to enhance financial access in tea, coffee, dairy and potato value chains. However, the maize value chain has not been directly supported to date.

3. Scope of the proposals

Access to Finance Rwanda in partnership with AGRA invites proposals from organisations that would design and deliver cutting edge digital financial solutions in the maize value chain in Rwanda. Such innovations should focus on the following:

Delivering financial services digitally including credit to small holder famers within the maize value chain: This may entail activities like farmer profiling, farmer credit scoring, electronic vouchers, etc.;

Facilitate and enable smallholder farmer payments. These could vary from input to output points and agriculture insurance;

Carry out financial education to different value chain actors in collaboration with financial institutions and other agricultural sector players to enhance financial literacy and agriculture financial products uptake

Create linkages with formal financial institutions to provide digital savings products

4. Expected reach

We expect that at least One hundred thousand (100,000) smallholder farmers, their families, and/or other poor people in rural households will be able to utilize the products and services developed and/or taken to scale.

5. The application process and guidelines

AFR and AGRA recognizes that the challenge of delivering financial services to remote rural areas requires partnerships that foster risk-taking and innovation. Consortiums from eligible value chain actors and support entities can submit their proposals separately or jointly.

A period of two years is proposed in order to provide sufficient time for learning through an assessment of outreach and initial impact of the proposed project.

6. Who is eligible to apply?

Firms that are legally registered and have presence in the East African region;

Demonstrated evidence of doing agriculture value chain support work within the East African region and or Sub-Saharan Africa that had positive impact on financially excluded rural and agricultural people;

Partnerships with local organization(s) in Rwanda;

If the applicant offers or plans to offer financial services of a type which require to be licensed or regulated in Rwanda, then proof of having obtained the license will be required;

7. Selection process and requirements

The selection process will be highly competitive to ensure AFR and AGRA get the maximum value for money from the grants provided and AFR reserves the right to reject any proposals submitted if they are not deemed satisfactory or does not satisfactorily meet the set criteria. To be selected, organisations will fulfil the following minimum requirements:

Evaluation Criteria	Marks
<i>Experience in delivery of ICT4Agriculture services , Digital financial services, rural finance and banking;</i>	20
<i>Expertise in agriculture finance and banking within East Africa, Rwanda or Sub-Saharan Africa</i>	30
<i>Solid knowledge on value chain finance, institutional capacity building and product development</i>	20
<i>Strong linkages strategy between smallholder farmers and other value chain actors such as processors and SMEs involved in delivery of input and output</i>	30
Grand Total	100

Note:

Proposals shall be awarded scores out of the maximum number of points as indicated in the table above. Minimum technical score to pass the technical evaluation is 70%.

Only institutions meeting the minimum 70% score will be contacted

Additional instructions

AFR and AGRA reserves the right to call for supporting documents to verify data provided by the firm at any time during the evaluation process. The firm in such cases would need to provide the requested clarification/documents promptly and within the stipulated time failing which the firm is liable to be disqualified at any stage of the evaluation.

Confidentiality: Information relating to this RFP and recommendations to AFR and AGRA shall not be disclosed to any person unless expressly officially authorized by AFR and AGRA. AFR and AGRA will treat all information submitted as part of the proposal in confidence and requires all those who have access to such material to treat the same in confidence.

Qualification and Notification: After evaluation of proposals, AFR and AGRA shall notify both successful applicant as well as unsuccessful applicants. Thereafter, AFR shall immediately engage the selected applicant for subsequent stages.

Right to Reject:

AFR and AGRA reserves the right, at their sole discretion, to reject all proposals received and seek fresh proposals, to negotiate further with one or more of the applicants, to defer the award or to cancel the competition and make no contract award, if appropriate without incurring any liability.

Clarifications: Interested firms may address their queries relating to this call for proposals to the Head of Agriculture and Rural Finance at livingstone@ afr.rw with a copy to: procurement@ afr.rw. Responses shall be shared by email.

Amendment of call for proposal

At any time prior to the deadline for submission of proposals, AFR may for any reason, whether at its own initiative or in response to clarifications requested by any firm, modify the Call for Proposals by issuance of an addendum.

Any Addendum thus issued will be sent in writing by email to all those who have sent queries to the RFP.

Language

The Call for Proposals and related correspondence and documents should be written in English.

Validity of proposals

Proposals shall remain valid for a period of not less than **90 days** from the proposal submission due date. AFR reserves the right to reject any proposals, which do not meet this requirement.

8. Funding range and currency

The funding range is between **USD 500,000 to USD 1,000,000**. *Proposals should be priced in US Dollars for foreign organisations and in Rwandan Francs (RWF) for local organisations.*

9. Instructions for proposal submission

Interested organisations should submit their proposals at procurement@ afr.rw and a single project proposal should not exceed ten (10) pages. They are required to follow this link: <http://afr.rw/resources/procurement/article/call-for-proposals> in order to be able to download the “AFR project summary template”

10. Deadline for submission

All project proposals must be submitted electronically by **22nd June 2018 at 5.00 PM (Central African Time)** with clear subject line “Maize value chain financing proposal”.