



ACCESS TO FINANCE RWANDA

Request for Proposals (RFP)

Procurement of Consultancy Services without Publication of a
Notice of Expression of Interest

Subject of Procurement: Consultancy for the design and
support implementation of an integrated and incentivised
Rwanda Agriculture Risk Sharing and Financing Facility (RARSFF)
aimed at de-risking agriculture

Procurement Reference Number: AFR/RARSFF/06/2018

June 2018

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08th June, 2018

REQUEST FOR PROPOSALS

PROCUREMENT REFERENCE NUMBER: AFR/RARSFF/06/2018

Dear Prospective bidder:

Access to Finance Rwanda (AFR) on behalf of the Government of Rwanda (GoR) would like to recruit a firm to support the design and supporting implementation of an Incentivised agriculture risk sharing facility in Rwanda. AFR invites sealed proposals for the provision of the above services.

- Proposals should be directly responsive to all items, terms, conditions, specifications, and other documents referred to in this RFP.
- Requests for clarifications on this RFP may be submitted until **June 29, 2018**.
- Interested parties should submit their proposals no later than **July 06, 2018**.

Responding bidders are advised that this solicitation does not in any way obligate AFR to make a contract award or compensate the responding firms for any costs associated with the preparation and submission of their proposals. Additionally, AFR may award a contract without conducting negotiations; all proposals should be submitted initially using your most favourable terms. AFR reserves the right to award any resultant contract to other than the offeror submitting the lowest price proposal based on technical excellence, schedule superiority or client request.

All enquiries and Requests for Clarification regarding this RFP should be addressed via email to Jean Bosco Iyacu, the Director of Programs, AFR: iyacu@ afr. rw before the date communicated above.

Below is the planned procurement schedule (subject to changes):

| Activity | Date |
|--|---|
| a) Advert | 11 th June 2018 |
| b) Request for Clarifications | 29 th June 2018 |
| c) Proposal closing date | 06 th July 2018 at 5:00pm Central African Time |
| d) Evaluation process | 11 th July 2018 |
| e) Display and communication of best evaluated bidder notice | 16 th July 2018 |
| f) Contracting | 18 th July 2018 |

Cordially,

Waringa Kibe

Country Director
Access to Finance Rwanda

Part 1: Proposal Procedures

1.1 SECTION 1: INSTRUCTIONS TO PROSPECTIVE BIDDERS

Preparation of Proposals: You are requested to submit separate technical and financial proposal, as detailed below. The standard forms in this Request for Proposal may be retyped for completion but the Consultant is responsible for their accurate reproduction.

You are advised to carefully read the complete Request for Proposals. Where an electronic copy of the Request for Proposals is issued, the paper or hard copy is the original version. In the event of any discrepancy between the two, the hard copy shall prevail.

Technical Proposals: Technical proposals should contain the following documents and information:

1. The Technical Proposal Submission Sheet in this Part;
2. An approach and methodology for performing the services;
3. A detailed work plan, showing the inputs of all key staff and achievement of deliverables;
4. Copies of previous contracts - at least 3 for similar projects;
5. CVs of key staff;
6. A summary of your experience in similar assignments;
7. The documents evidencing your eligibility, as listed below;
8. The consultant's comments or suggestions on the TORs and appreciation of the assignment – the objectives, tasks and deliverables.

Financial Proposals: Financial proposals should contain the following documents and information:

1. The Financial Proposal Submission Sheet in this Part;
2. A copy of the breakdown of Lump Sum Price form in this Part for each currency of your proposal, showing all costs for the assignment, broken down into fees and reimbursable and miscellaneous costs. The costs associated with the assignment shall be US dollars.

Key Note: The technical and financial proposals for each Phase i.e. the design phase and the implementation phase should be submitted separately.

Validity of Proposals: Proposals must remain valid for **90 days**.

Submission of Proposals: The technical and financial proposals should be submitted separately, both clearly marked with the Procurement Reference Number above, the Consultant's name, AFR and either "Technical Proposal" or "Financial Proposal" as appropriate.

Proposals (both technical and financial) should be emailed to: [procurement@afr.rw](mailto:procurement@ afr.rw) with clear subject line: **Consultancy for the design and support implementation of an integrated and incentivised Rwanda Agriculture Risk Sharing and Financing Facility (RARSFF) by 06th July 2018 at 5.00pm Central African Time.**

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1.2 SECTION 2: ELIGIBILITY CRITERIA

Eligibility Criteria: You are required to meet the following criteria to be eligible to participate in the procurement exercise:

1. have the legal capacity to enter into a contract;
2. not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances;
3. not have had your business activities suspended;
4. have fulfilled your obligations to pay taxes and social security contributions;
5. have the nationality of an eligible (defined in the proceeding section) country;
6. not to have a conflict of interest in relation to this procurement requirement; and
7. not have a conflict of interest in relation to this procurement project.

Documents Evidencing Eligibility: Consultants are requested to submit copies of the following documents as evidence of your eligibility and sign the declaration in the Technical Proposal Submission Sheet:

1. Certificate of Incorporation
2. A copy of the Bidder's Trading licence or equivalent and a copy of the Bidder's Certificate of Registration;
3. Evidence of statutory compliance such as a tax clearance certificate
4. Power of attorney with a specimen signature of authorised representative
5. Any other relevant documentation.

Nationality of Personnel: All personnel employed under any resulting contract shall have the nationality of an eligible country to conduct business in Rwanda.

All countries are eligible, unless as a matter of law or official regulation, the Government of Rwanda prohibits commercial relations with that country or by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of Rwanda prohibits any import of Supplies from that country or any payments to persons or entities in that country.

1.3 SECTION 3: EVALUATION OF PROPOSALS

Evaluation of Proposals: The evaluation of Proposals will use the **Quality Cost Based** methodology as detailed below:

1. Preliminary examination to determine eligibility (as defined below) and administrative compliance to this Request for Proposals on a pass/fail basis;
2. Detailed Technical evaluation will contribute 80%;
3. Financial scores will be allocated 20% to determine the best evaluated bid.

Proposals failing at any stage will be eliminated and not considered in subsequent stages.

Technical Criteria: Proposals shall be awarded scores out of the maximum number of points as indicated in below.

Part 1: Proposal Procedures

| Evaluation Criteria | Marks |
|---|------------|
| Relevant qualifications (Master's Degree in Economics, Development Finance, Agriculture Economics other related fields or Professional Qualifications) and | 10 |
| Experience in designing and implementing agriculture risk sharing facilities for the firm or proposed consultants | 40 |
| Understanding of the Terms of Reference and comments including any suggested amendments | 10 |
| Adequacy of the proposed technical approach, methodology and work plan in responding to these Terms of Reference | 10 |
| Adequate knowledge transfer approach to the local players (partnerships with local experts is an added advantage) to ensure sustainability and scalability of the program | 10 |
| Financial Evaluation – (fees and expenses, value for money) | 20 |
| Grand Total | 100 |

Minimum technical score: The mark required to pass the technical evaluation is 70%.

Financial Criteria:

Pricing information should not appear in any other section of the proposal other than the financial proposal.

Financial scores shall be determined by awarding 100 points to the lowest priced proposal and giving all other proposals a score which is proportionate to this.

Total scores: Total scores shall be determined using a weighting of 80% for technical proposals and a weighting of 20% for financial proposals.

Currency: Proposals should be priced in **US dollars**.

Best Evaluated Bid: The best evaluated bid shall be the firm with the highest combined score and shall be recommended for award of contract.

Right to Reject: AFR reserves the right to accept or reject any proposal or to cancel the procurement process and reject all proposals at any time prior to contract signature and issue by AFR, without incurring any liability to Consultants.

AFR reserves the right, at its sole discretion, to reject all proposals received and seek fresh proposals, to negotiate further with one or more of the bidders, to defer the award of a contract or to cancel the competition and make no contract award, if appropriate.

Part 1: Proposal Procedures

1.4 SECTION 4: TECHNICAL PROPOSAL SUBMISSION SHEET

[Complete this form with all the requested details and submit it as the first page of your technical proposal, with the documents requested above attached. Ensure that your technical proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected.]

| | |
|-------------------------------|--------------------------|
| Proposal Addressed to: | Access to Finance Rwanda |
| Date of Technical Proposal: | |
| Procurement Reference Number: | |
| Subject of Procurement: | |

We offer to provide the services described in the Statement of Requirements, in accordance with the terms and conditions stated in your Request for Proposals referenced above.

We confirm that we are eligible to participate in public procurement and meet the eligibility criteria specified in Part 1: Proposal Procedures of your Request for Proposals.

We have signed and undertake to abide by the Code of Ethical Conduct for Bidders and Providers attached during the procurement process and the execution of any resulting contract;

Our proposal shall be valid until _____ *[insert date, month and year]* and it shall remain binding upon us and may be accepted at any time before or on that date;

I/We enclose a separate financial proposal.

Technical Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

CODE OF ETHICAL CONDUCT IN BUSINESS FOR BIDDERS AND PROVIDERS

1. Ethical Principles

Part 1: Proposal Procedures

Bidders and providers shall at all times-

- (a) maintain integrity and independence in their professional judgement and conduct;
- (b) comply with both the letter and the spirit of-
 - i. the laws of Rwanda; and
 - ii. any contract awarded.
- (c) avoid associations with businesses and organisations which are in conflict with this code.

2. Standards

Bidders and providers shall-

- (a) strive to provide works, services and supplies of high quality and accept full responsibility for all works, services or supplies provided;
- (b) comply with the professional standards of their industry or of any professional body of which they are members.

3. Conflict of Interest

Bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with AFR. Bidders and providers shall disclose to all concerned parties those conflicts of interest that cannot reasonably be avoided or escaped.

4. Confidentiality and Accuracy of Information

- (1) Information given by bidders and providers in the course of procurement processes or the performance of contracts shall be true, fair and not designed to mislead.
- (2) Providers shall respect the confidentiality of information received in the course of performance of a contract and shall not use such information for personal gain.

5. Gifts and Hospitality

Bidders and providers shall not offer gifts or hospitality directly or indirectly, to staff of AFR that might be viewed by others as having an influence on a government procurement decision.

6. Inducements

- (1) Bidders and providers shall not offer or give anything of value to influence the action of a public official in the procurement process or in contract execution.
- (2) Bidders and providers shall not ask a public official to do anything which is inconsistent with the Act, Regulations, Guidelines or the Code of Ethical Conduct in Business.

7. Fraudulent Practices

Bidders and providers shall not-

- (a) collude with other businesses and organisations with the intention of depriving AFR of the benefits of free and open competition;
- (b) enter into business arrangements that might prevent the effective operation of fair competition;
- (c) engage in deceptive financial practices, such as bribery, double billing or other improper financial practices;
- (d) misrepresent facts in order to influence a procurement process or the execution of a contract to the detriment of AFR; or utter false documents;
- (e) unlawfully obtain information relating to a procurement process in order to influence the process or execution of a contract to the detriment of the AFR;

Part 1: Proposal Procedures

- (f) withholding information from the Procuring Disposing Entity during contract execution to the detriment of the AFR.

I agree to comply with the above code of ethical conduct in business.

AUTHORISED SIGNATORY

NAME OF CONSULTANT

Part 1: Proposal Procedures

1.5 SECTION 5: FINANCIAL PROPOSAL SUBMISSION SHEET

[Complete this form with all the requested details and submit it as the first page of your financial proposal, with the documents requested above attached. Ensure that your proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected. The total price of the proposal should be expressed in the currency or currencies permitted in the instructions above.]

| | |
|-------------------------------|-----|
| Proposal Addressed : | AFR |
| Date of Financial Proposal: | |
| Procurement Reference Number: | |
| Subject of Procurement: | |

The total price of our proposal is: _____ .

We confirm that the rates quoted in our Financial Proposal are fixed and firm for the duration of the validity period and will not be subject to revision or variation.

Financial Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

Part 1: Proposal Procedures

Breakdown of Lump Sum Price

[Complete this form with details of all your costs and submit it as part of your financial proposal. Where your costs are in more than one currency, submit a separate form for each currency. Authorise the rates quoted in the signature block below.]

Procurement Reference Number: _____

CURRENCY OF COSTS: _____

| FEES | | | | |
|--------------------------------|----------------|---------------|------|-------------|
| Name and Position of Personnel | Input Quantity | Unit of Input | Rate | Total Price |
| | | | | |
| | | | | |
| | | | | |
| TOTAL: | | | | |

| REIMBURSABLE AND MISCELLANEOUS COSTS | | | | |
|--|----------|-----------------|------------|-------------|
| Description of Cost | Quantity | Unit of Measure | Unit Price | Total Price |
| | | | | |
| | | | | |
| Hotel nights or other accommodation if applicable | | | 130* | |
| Daily subsistence (includes food, drink, local transport, communication and internet access, etc.) | | | 50* | |
| TOTAL: | | | | |

*Daily rates for hotels and subsistence are fixed by AFR in USD

TOTAL LUMP SUM PRICE IN CURRENCY: _____

Breakdown of Lump Sum Price Authorised By:

Signature: _____ Name: _____

Part 1: Proposal Procedures

Position: _____

Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Part 2: Terms of Reference

2.0 TERMS OF REFERENCE

CONSULTANCY FOR THE DESIGN AND SUPPORT IMPLEMENTATION OF AN INTEGRATED AND INCENTIVISED RWANDA AGRICULTURE RISK SHARING AND FINANCING FACILITY (RARSFF) AIMED AT DE-RISKING AGRICULTURE.

2.1 Introduction and background

AFR is a Rwandan not for profit organization, established in March 2010 by the Government of the United Kingdom (UK) and Rwanda 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 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 rural poor engaged in agriculture and women is a particular focus.

Agriculture is the backbone of Rwanda's economy and is central to the Government's development strategy that is enshrined in Vision 2020. Rwanda's agricultural sector employs over 85% of the country's workforce and accounts for approximately 33.3% of Rwanda's GDP and more than 40% of export revenue. More than 70% of Rwandan households who rely on agriculture for a majority of their income are poor and depend on subsistence production for household food requirements. Transforming the traditional smallholder agriculture, as articulated by the Strategic Plan for Agricultural Transformation (PSTA), requires significant developments in the financial sector to enable people engaged in agriculture to access appropriate insurance products and other financial services that they need.

Agriculture sector development will require investments to improve on-farm productivity, post-harvest practices, agro processing, trade and marketing of agricultural commodities. In Rwanda some of the banks and other financial institutions have made attempts at financing agriculture although with limited success. It's also evident that because of past performance, the financial sector strongly lacks the incentives and skills to target and service the agricultural sector and its supply chain, leading to severe financing constraints and consequently limiting their opportunities for growth and increasing their competitiveness in the market.

Exacerbated by a lack of understanding of how smallholder families cope with the challenges they face, and the financial impacts of environmental shocks such as droughts, floods and fires, and the regular mismatch between when farming inputs need to be purchased and the availability of funds to purchase them, has led to agriculture finance being considered high risk by financial institutions. The development of financial services and products that are suited to smallholder farming and the penetration of micro- and commercial bank finance for agricultural production into rural and agricultural areas have therefore not been pursued to the extent needed to substantively benefit the sector. In addition to continuously having to struggle to manage cash flows, smallholder farmers are thus further constrained by a lack of access to finance for production and growth.

Part 2: Terms of Reference

To be able to deliver sustainable and appropriate financial services to the sector that employs over 85% of Rwandans, deliberate efforts have to be made by government to not only mitigate agriculture financing related risks but also incentivize financial institutions to extend requisite credit to the agriculture sector. This is complimentary to the government's efforts to build and strengthen producer cooperatives, irrigation initiatives and business development services.

It is against this background that AFR in collaboration with the Ministry of Agriculture and Animal Resources (MINAGRI) and the Ministry of Finance and Economic planning (MINECOFIN) seeks services of expert firms to design and support in the implementation of an integrated and incentivised agriculture risk sharing facility in Rwanda.

2.2 Objective of the consultancy

The objective of the assignment is to provide technical assistance, in the design, and supporting the implementation of an integrated and incentivised agriculture risk sharing facility in Rwanda; with aim of de-risking the agriculture value chain so that banks and other financial institutions can lend to the agriculture sector with confidence and in a sustainable way.

2.3 Tasks and methodology

The selected firm shall undertake the following major tasks in close consultation with AFR, MINAGRI and MINECOFIN and all key stakeholders.

Phase I: Design of the integrated and incentivised agriculture risk sharing and financing facility

- Examine policies facilitating or impeding growth of agricultural finance in Rwanda; assess prevailing laws, regulations and market opportunities facilitating or impeding effectiveness of agricultural financial services and provide best possible recommendations for implementation;
- Examine capacity of the service providers (government, private sector institutions and NGOs) in meeting demand for agriculture finance services;
- Design the incentivized agriculture risk sharing facility Pillars and the approach it will take in engaging with the key stakeholders from the financial and agricultural value chain actors, donors, local investors as well as relevant Government agencies who can be engaged and involved in the implementation of the overall Facility and Pillars in particular. The key facility pillars may, among others, include:
 - The Risk Sharing Facility to break down the perception that lending to agriculture is risky through sharing losses on agricultural loans
 - The agriculture Insurance Component
 - Technical Assistance Facility to financial service providers
 - Further Incentives like banking rating mechanisms- This mechanism rates banks based on two factors: the effectiveness of their agricultural lending and its social impact
 - A mechanism of linking farmers to suitable financing institutions, insurance, guarantees and certified in-put suppliers/agro dealers
- Provide an overall budget to operationalize the entire risk sharing facility;
- Provide policy guidance to the Government entities spearheading this scheme;

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- Facilitate engagement workshops with the stakeholders to boost their understanding of the scheme, their benefits and buy in;
- Design the scheme's architecture (institutional implementation framework), define the roles and responsibilities of each stakeholder to ensure effective delivery of an incentivized agriculture risk sharing facility in Rwanda;
- Provide an implementation work plan and a results monitoring framework;
- Work with AFR and MINECOFIN to develop a fundable project proposal

Phase II: Implementation of the incentivised agriculture risk sharing facility

- Phase II will be dependent upon the successful validation of the designed incentivized and integrated agriculture risk sharing and financing facility. The TA firm will support MINECOFIN and its stakeholders in the full implementation of the scheme based on mutually agreed terms and conditions.

2.4 Timeframe and expected deliverables

The initial required level of effort for the Technical Assistance firm is **30 working days for the design of the risk sharing and financing facility** and will start in **July 2018**. Upon validation of the designed facility by the Government of Rwanda and other key stakeholders, the subsequent required level of effort will be determined and agreed upon between the TA firm, AFR and its stakeholders.

a. Phase I: Design phase deliverables

- A detailed business case (blue-print) with clear implementation plan for the Incentivized agriculture risk sharing facility ;
- A detailed budget for the facility, and a results monitoring framework;
- Summary of the blue-print report covering major findings and recommendations.
- A project proposal in AFR Format for submission to the Investment Committee

b. Phase II: Implementation phase deliverable (Bidders are encouraged to suggest a realistic timeframe)

- Fully functioning incentivized agriculture risk sharing facility following acquisition of funding by the facility from AFR, government of Rwanda and other development partners

2.5 Consultant competences and qualifications

Applicants are required to provide profiles for all proposed consultants, clearly stating their roles and responsibilities, level of effort, and including their technical expertise and practical experience. Key qualifications for this work include: -

- In-depth knowledge and experience in the agriculture and financial sector in Rwanda and a broad experience in the same in East Africa and Sub-Saharan Africa;
- Strong understanding of the local/regional context on agriculture finance and regulatory frameworks;
- Demonstration of strong knowledge in designing and setting up Incentivised

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- agriculture risk sharing facility;
 - Track record in conducting similar assignments in developing countries;
 - Good communication, facilitation skills and ability to use participatory approach to collect and make use of the most relevant inputs from stakeholders;
 - Preference will be given to proposals that:
 - Interpret the Terms of Reference appropriately and recommend measures and approaches of achieving this assignment in the most meaningful and cost-effective way;
 - Candidate should be able to propose suggestions on the approach and adjustments to the outlined phases above without altering the intent or objective of this assignment;
 - Strong analytical and reporting skills.
- Experience in understanding of building inclusive financial sectors

2.6 Team Composition (Indicative)

| Key Personnel | Qualifications | Work and Leadership Experience: |
|---|---|--|
| Qualified and Experienced Agriculture Finance Expert (Team Leader) | A Masters' degree in Economics, Agriculture Economics, Development Finance, Business or Finance | <p>Work and Leadership Experience: At least 10 years Demonstrable leadership and work experience preferably in the insurance industry. should at least have held a senior leadership/management position on related projects</p> <p>Project Management Experience: At least 7 years demonstrable experience in managing and setting up incentivised agriculture risk sharing facilities in the African region.</p> <p>Market systems development : Have an understanding of Making financial Markets work for the Poor (M4P) and its application in designing the risk sharing facility</p> |
| Economists (Macroeconomic and Behavioural Economists) | A Masters' degrees in Economics with specialisation in Development and Financial Economics | <p>Work experience: At least 7 years' demonstrable experience in economic research, policy development and analysis especially focused on the low income population segment. Someone with work experience in a development finance institution, Ministry of Finance, economic policy think tank/research organization, or economic policy development and analysis consultancy firm will have an added advantage. A list of research publications specific to increasing access to agriculture finance to the low income population</p> |

Part 2: Terms of Reference

| | | |
|--|--|---|
| | | segment or at least 5 years' experience in executing assignments of a similar nature. |
| Agriculture Insurance | A Masters' degrees in Agriculture Insurance and/or related field | Work experience: At least 7 years' demonstrable experience in undertaking agriculture insurance in reputable insurance companies, designing, and implementing agriculture insurance products or at least 7 years' experience in executing assignments of a similar nature. |
| Digital finance and investment banking experience | A Masters' digital finance, Investment banking and or degrees in related field | Work experience: At least 7 years' demonstrable experience in leveraging national data bases to design and deliver financial services to the agriculture sector. Strong experience in developing and delivering lines of credit for institutions in need of expanding their lending footprints to the agriculture sector |