



ALLIANCES
FOR ACTION

Terms of Reference

Background

The International Trade Centre (ITC) is a joint agency of the United Nations and the World Trade Organization for trade-related technical cooperation in developing countries.

The Office for Latin America and the Caribbean (OLAC), as a geographical section of the Division of Country Programmes (DCP), is responsible for defining the ITC strategy and coordinating all interventions in the region, either for individual countries or at the sub-regional and regional levels.

The Sector Competitiveness Unit (SEC) is responsible for developing and disseminating sector level expertise for sustainable market driven solutions in ITC, including the Alliances for Action (A4A) methodology. A4A is a participatory partnership model that engages smallholder farmers and MSMEs in order to manage risk and facilitate networks that provide the required technical expertise and capacity building.

The “Support to Business Friendly and Inclusive National and Regional Policies, and Strengthening Productive Capabilities and Value Chains” Programme aims to complement the European Union support for private sector development in ACP countries, under the context of the joint ACP-EU Programme for ACP Private Sector Development Support, adopted by ACP-EU Council of Ministers in Nairobi in 2014, and is financed from the 11th European Development Fund.

With major focus on the development of agriculture and agri-business value chains, the Programme is designed to achieve two key outcomes: (1) adopting and implementing business-friendly, inclusive and responsible national policies and legal frameworks, and (2) strengthening productive, processing, promoting and marketing capabilities and value chains.

Through the *Alliances for Action* approach, this Action will strengthen the capacities of the following target groups directly: small producer groups and clusters; farmers organisations and cooperatives representing smallholder farmers; coconut producing and processing communities; sector associations; SME coconut products manufacturers; and coconut value chain service providers (including e.g. financial services providers, market and trade promotion, and sustainable packaging and food safety and quality standards advisory service providers).

Agri-SMEs play a central role in agricultural value chains across regions, but many operate in unfavourable conditions that limit their access to finance and constrain their investment capacity. In sub-Saharan Africa alone, a Dalberg and KfW report estimates the annual lending gap to agri-SMEs at USD 100 billion, even though they generate around 25% of rural employment and account for 32% of the gross value of agriculture value chains. Many agri-SMEs fall into the “missing middle” between informal enterprises served by microfinance institutions and larger corporations served by commercial banks. (SAFIN)

The Financial Consultant will be working under the direction and supervision of the EU-ACP Business Friendly Project Manager.

Objectives of the Assignment

The international consultant should deliver three country specific reports, working in partnership with national consultants covering the following aspects:

1. A situational analysis of the financial challenges or gaps faced by farmers, MSMEs and agripreneurs in the coffee/cocoa value chains in target countries (Ghana, Liberia and Cameroon).
2. A financial appraisal report taking into account the Cost Benefit Analysis of investing at every node of each of the selected value chains in the target countries.
3. Investment prospectus for the selected value chains in the target countries.

Description of Duties/Responsibilities

1. Draft and present a methodology to undertake the study, which should include desk review and interviews with farmers, MSMEs, government, finance institutions and other development agencies. The full methodology should be outlined from data collection, analysis and presentation of the results;
2. The international consultant should lead a team of consultants in target countries, providing technical, methodological guidance and review of draft national reports among others.
 - a. Draft ToRs for the national consultants, outlining the specific inputs, they should contribute to the assignment
 - b. Train the national consultants on how to execute the specific tasks outlined above, in order to ensure the delivery of high quality report and reliable results.
3. Map and profile key public and private sector financial institutions working in the areas of agriculture and food industry, detailing their relevance to the coffee/cocoa and associated crops value chains highlighting the following:
 - a. Their vision and missions with regard to funding of agriculture development;
 - b. The nature of support they have extended or are extending to farmers, MSMEs and other actors in the value chain: Do they have specific agri loans products? Do they have specific agri-SMEs financial products? Do they have agri loans products targeting smallholder farmers? Which is the agri exposure of these institutions? Do they provide technical assistance as a complement to the financial support?
 - c. Identify opportunities and challenges, they are facing in their efforts to support farmers and MSMEs in agriculture value chains;

- d. Highlight interest to support the coffee, cocoa and associated crops value chain interventions, defining the form and the nature of the support, for instance: to develop specific loan products targeting coffee/cocoa sectors, provide technical assistance, etc.
4. Undertake an economic appraisal of the target value chains, taking into account the Costs and Benefits of investing in each of the segment of the coffee/cocoa value chains in the three target countries (Ghana, Liberia and Cameroon).
5. Assess cocoa/coffee and associated value chain financial needs/gaps and the factors contributing to the finance gap across its various segments, paying special attention to the following:
 - a. Map and profile the categories of value chain actors requiring finance at every segment of the value chain, focusing on the following:
 - i. The level of the financial literacy of the farmers, MSMEs and other value chain players:
 - ii. List and describe fixed and moveable assets owned by farmers, MSMEs and other players, which could be used as collateral and how they could be collateralised.
 - iii. Assess the financial viability of the farmers and MSMEs involved in the production and processing of the targeted commodities.
 - b. Estimate the amount of finance required per annum for the listed actors to operate at full capacity compared to what they are currently accessing (this could be accomplished by carrying out a survey of a reasonable sample of the listed actors: Agri-dealers; Small scale farmers; Buyers and exporters and Processors)
 - c. Identify and analyze the supply and demand side factors contributing to the Finance Gap (long term, short term and trade finance); by involve interviewing enterprises (farmers & MSMEs), financial institutions and other stakeholders.
 - d. Identify the components, which should be funded/invested in at the various nodes of the value chain, taking into account the Costs and Benefits of such support or investment. This should entail identification of all the required fixed and working capital required to operate efficient and viable activities at the various notes of the value chain for example: farming, washing station, roasting/packaging and exporting.
 - e. Draft an investment prospectus for each node of the target value chains based on Small, Medium and Large enterprises models.
6. Build the Capacity of MSMEs to access finance, this should be informed by the following fundamentals:
 - a. Build the capacity of value chain actors including farmers, cooperatives leadership and MSMEs on business and financial record keeping;

- b. Train farmers, cooperatives leadership and MSMEs on how to present their financial needs to local banks and other financial service providers (MFIs, SACCOs, international lenders, impact funds, development financial institutions, etc.);
 - c. Build the capacity of farmers, cooperatives leadership and MSMEs to be able to estimate the amount of financial support they require to support their operations.
 - d. Prepare a training module and facilitate the capacity building of 100 farmers (observing gender balance as best as possible), cooperatives leadership and MSMEs
7. Working in partnership with an international consultant contribute to the drafting of an Investment Prospectus of the Coffee, cocoa and associated products value chain.
- a. Plan meetings between investors/financial advisors and farmers and/or MSMEs
 - b. Present the study to national stakeholders for validation.
 - c. Facilitate the hosting of a Regional Workshop, which will attract impact investors, SAFIN members, Africa Development Bank etc.

Expected Outputs and Timelines

Output(s)	Deliverable	Estimated work days
Output 1	Deliver a detailed methodology – narrative and a virtual presentation (responding to ToR - 2)	5
Output 2	<ul style="list-style-type: none"> • Draft and deliver ToRs for National Consultants • Complete a virtual training session of national consultants and national coordinators (responding to - 2) 	5
Output 3	A chapter covering mapping and profiling of agriculture finance support institutions (responding to ToR - 3a to d)	15
Output 4	Submit an economic appraisal report on the target value chains for the three countries (responding to ToR - 4)	10
Output 5	Submit a chapter on the value chain financial needs/gaps and the factors contributing to the finance gap across its various segments (responding to ToR - 5)	10
Output 6	Train value chain actors to improve their capacity to access finance in target countries (responding to ToR - 6)	5
Output 7	Submit Investment Prospectus of the Coffee, cocoa and associated products value chain (responding to ToR 7)	15
	Total	65

Fees are subject to the national income taxes, where applicable. If the contract is to be issued in a currency other than USD, the UN exchange rate on the date of the contract issuance will be applicable.

Qualifications, Competencies and experience required:

- **Education:**
 - Minimum Masters (PhD preferred) degree in business management, economics, Human Resources or Sociology
 - Extensive relevant experience may be accepted in lieu of the advanced university degree.
- **Profile required:**
 - At least 10 years of experience required for this task:
 - Work experience in facilitation of Accelerated development programs targeting UN
 - Firsthand and senior level work experience with UN development practitioners
 - Experience working in developing countries;
 - Experience with coordinating and leading groups of experts.
- **Skills:**
 - Ability to work with minimum supervision, efficiency, competence and integrity and in harmony with people from different backgrounds.
 - Pro-active and initiative-driven behaviour;
 - Excellent interpersonal, presentation, written and oral communication skills.

Languages: Advanced knowledge of English.