BUILDING INCLUSIVE AND COMPETITIVE HORTICULTURE BUSINESSES IN TANZANIA’S SOUTHERN HIGHLANDS (BICHOBS)

TERMS OF REFERENCE

DEVELOPMENT OF DIGITAL SOLUTION/PLATFORM FOR FARMERS’ ACCESS TO MARKETS AND FINANCIAL SERVICES IN THE SOUTHERN HIGHLANDS OF TANZANIA
1.1 Background

Rikolto is an international network organisation with over 40 years of experience in partnering with food chain stakeholders in Africa, Asia, Europe and Latin America. We build bridges of trust and trade between the food industry, governments, research institutions, financial institutions and farmers’ organisations around one central question: ‘What will we eat tomorrow?’

Rikolto’s global strategy is directed towards structural changes in the agri-food system and upscaling of well-functioning practices and policies that unlock the farming potential of a critical mass of small holder farmers. Clear structural change/up-scaling agendas are agreed upon for which specific strategies and actions are developed. This is followed by design of concrete interventions in pilot chains in order to experiment, learn and build evidence to influence the agreed changes. The potential of technology to address financial needs along the value chain has yet to be fully realized.

Rikolto in East Africa secured funding from European Union under the AGRI-CONNECT Programme for a 4-year horticultural programme in Tanzania, which aims to improve and increase market competitiveness in the sector supplying both domestic and international markets. This will run from 2020 to 2024 covering five regions in Tanzania’s Southern Highlands, specifically Iringa, Katavi, Njombe, Mbeya and Songwe.

1.2. Assignment Background and Agriculture Digitalization

As agriculture and financial services move into the digital age, new technologies are emerging with the potential to extend the reach and product diversity of value chain finance to smallholders. Much of the innovation has been focusing on smallholders with existing connections to buyers and digital technology is increasingly enabling outreach to smallholders who have only loose connections to value chains and who have until recently been largely excluded from the benefits of value chain financing.

Poor infrastructure and a nascent digital ecosystem are considered to be among factors which make it difficult to provide and use digital services among farmers in rural areas. With the advent of these new technological innovations, a growing number of initiatives are changing how value chain finance can reach smallholders. Like in many African countries, in Tanzania and especially in the Southern Highlands, horticulture value chain actors are facing challenges in accessing critical and most important services. Some of common challenges includes but not limited to: Smallholders cannot access financing for high-quality inputs; Buyers face high cost and risk when paying smallholders in cash; Smallholders lack access to markets for crops; Buyers lack funds to pay smallholders quickly leading to side-selling.

1.3. Rikolto strategy and experience on promoting Digital Solution to farmers

Rikolto has put into practise different digital solution technologies with farmers which were either developed by hired experts (MIS-Uganda and Mkulima-Hub in Tanzania) or adopted from other partner organizations (RATRIN, G-SOKO). From these digital interventions the following lessons learnt to be considered while developing new digital solution:

- The proposed ICT solutions should be user friendly e.g. option to be translated to local languages, age wise.
- Proposed digital solution should consider the scalability of the model.
• Consider bundled ICT/digital solution i.e. it can provide both solutions for market access, extension service, payment solutions etc.

• The ICT/digital solutions should be farmer-centred to incentivize the farmers to adopt the technology. Can solve problem at hand.

• The ICT/digital solution should be affordable to farmers and should not add more burden in terms of costs. The transaction costs should be as low as possible.

2.0. Development of Digital solution/platform for farmers access to markets and financial services in Tanzania’s Southern Highlands

Rikolto through its AGRI-CONNECT programme wants to improve and increase efficiency and availability of different business development services to smallholder horticulture farmers. The use of ICT or digital platforms has proven to be among the easiest, most reliable and cheapest ways of delivering services to smallholder farmers, especially regarding access to market and finance. We are therefore looking for a consultant who can develop a digital solution for horticulture value chains in Tanzania’s Southern Highlands to ensure farmers have access to markets and finance services.

2.1 Objective of the assignment

The overall objective for this assignment is to develop Digital Solution/platform for farmers access to Markets and financial services in southern Highland Tanzania. The following are three specific objectives to be considered

1. Developing digital solution to improve the efficiency of financial transactions on horticulture value chain in Tanzania’s Southern Highlands
2. Developing digital solutions overcoming barriers to providing financial services to smallholder horticulture farmers in the Southern Highlands
3. Developing a digital solutions for improving market opportunities for horticulture smallholders in the Southern Highlands

2.2 Scope of Work

2.2.1 Duration of the assignment:
Four months from the signing of the contract, these are including set-up, training, testing and full roll-out of the digital tools.

2.2.2 Role and Responsibilities of the consultant

During the delivery of the assessment, the role of the consultant(s) will be but not limited

• Undertake digital mapping and assess off-takers, processors and Farmer Business Organizations (FBOs) capacity/needs.
• Assess the capacity of the available agricultural financial products and financial institutions suitable and willing to work in agriculture.
• Preparing an inception report, by conducting an inception meeting with Agri-connect programme technical team the discussion of the findings and way forward.
• Customize and install digital solutions on access to markets and finance according to the requirement of farmers and other value chain actors in the Southern Highlands.
• Develop polished training plan to orient users with the system.
• Connect buyers, processors, and other eligible financial institutions to the digital system.
• Provide maintenance (retention) of the installed systems for the period of 6 months.
• The installation of digital tools should consider the ability to switch in Swahili language which is widely spoken and understood by farmers in Tanzania.
• Sharing a proposal with the Rikolto technical team describing how you plan to undertake the assignment and provide technical advice on the sustainability of tools in the absence of the donor.
• Presentation of the qualified technical team to be responsible in developing digital solutions for horticulture value chains in the Southern Highlands.

2.2.3 Expected outputs for the assignment
• An inception report as how you plan to undertake the assignment.
• An assignment comprehensive report clearly describing how the assignment was conducted.
• Developed digital/ICT platform to be used by farmers and other horticulture value chain actors in the Southern Highlands.
• Presentation on how to use the developed system or platform
• Progress report during the implementation phase
• Final report

2.2.4 Implementation Plan

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<tr>
<th>Phase</th>
<th>Deliverables</th>
<th>Payment Schedule</th>
<th># of days</th>
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<tbody>
<tr>
<td>Inception phase</td>
<td>Need assessment from farmers, off-takers, financial institution and other actors, draft inception report and presentation</td>
<td>30% of total budget</td>
<td>40</td>
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<tr>
<td>Development of Digital Platform</td>
<td>Customize, develop and install digital/ICT platform to be used by farmers and other horticulture value chain actors in the Southern Highlands</td>
<td>30% of total budget</td>
<td>40</td>
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<td>Orientation on the system</td>
<td>Develop Polished training plan and orient the users with the system including Rikolto staff</td>
<td>20% of total budget</td>
<td>30</td>
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<tr>
<td>Final Report</td>
<td>An assignment comprehensive report clearly describing how the assignment was conducted.</td>
<td>20% of total budget</td>
<td>10</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100%</strong></td>
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3.0 Qualifications and Experience
The consultant for this assignment should have:
• Experience in developing digital tools to cover over fifteen thousand (15000) smallholder farmers.
• The ability to work with local communities, extension officers, financial intuitions, traders, input suppliers and other horticulture actors in the food system.
• Demonstrated capacity to transfer technical knowledge into simple and clear messages.
• Monitoring the knowledge uptake by stakeholders for the three months.
• Must have a minimum of 5 years of overall experience conducting market analysis; evaluations, development of data base and financial systems, baseline studies and/or research on horticulture value chain.
• Familiarity and understanding of agribusinesses and demonstrated knowledge and professional experience in developing agribusiness financial models, business and strategic plans pertaining to horticulture sub-sector.
• Experience in investment appraisal, project finance, and/or corporate finance.
• Demonstrated experience of working in donor funded projects under public sector and /or NGOs background.

4.0 Procedure to apply
Qualified candidates (either Individual Consultant or Consultancy Firm) are invited to submit their Technical and Financial proposal together with the following documents:
• Cover letter;
• CVs of proposed consultant teams including reference details of previous clients.
• Samples of 2-3 similar previous work pieces Data base development, (assessment/survey/baseline survey/evaluation)
Submit your proposal via email to eastafrica@rikolto.org by 7 February 2022 and indicate the source of advertisement and “TOR Digital Solution Southern Highlands” in the subject line.