

## **Request for Qualifications**

### ***Consultant: Agribusiness Working Capital Raise Support, COVID-19 Technical Assistance (TA)***

TechnoServe invites you to participate in this competitive solicitation for qualifications related to the position Working Capital Raise Consultant for support to a grain trader in Rwanda. The work will be conducted closely with the CASA Technical Assistance Facility team based in Johannesburg, South Africa.

**Position Location:** The support will be provided remotely to a grain trading company based in Rwanda.

**Anticipated start date:** 30 September 2020

**Estimated Duration:** The timing of the project is September-November 2020

**Budget:** Maximum £15,000

#### **I. About TechnoServe**

TechnoServe is managing the UK government's Foreign, Commonwealth, & Development Office (FCDO) funded five-year programme – Commercial Agriculture for Smallholders and Agribusinesses (CASA) – focused on driving catalytic change in how investors view and invest in agribusinesses operating in supply chains with significant numbers of smallholder producers. CASA is focused on increasing economic opportunities for smallholder farmers (SHF) by:

- Enabling more smallholder farmers to engage with and trade into commercial markets;
- Demonstrating the commercial viability of agribusinesses with significant smallholder supply chains and attracting more investment into these businesses;
- Deepening the smallholder impact of investments made by development finance institutions and impact investors.

TechnoServe's role on CASA is to establish and operate a £8 million Technical Assistance Facility (TAF)<sup>1</sup> to support agribusinesses that have received development finance institution (DFI) or impact investor financing to extend and deepen their smallholder impact. CASA TAF's aim is to increase the development impact of individual deals and help build an evidence base of the potential development returns from agribusiness investments that can be used to raise expectations of investors from future deals. CASA TAF has the potential to re-define the role private investments in agriculture can play towards driving development impact for millions of smallholder producers across the globe. Over five years, our objective is to increase sales and productivity of over 100,000 smallholders, and increase jobs and rural income generation opportunities on farms and in invested agribusinesses.

#### **II. Background**

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<sup>1</sup> <https://www.casaprogramme.com/technical-assistance/>

To meet our objectives, we are working with at least 35 agribusinesses to design and implement commercially viable, high-impact and sustainable inclusive business plans.

One of the businesses supported to date is a grain trader operating in Rwanda which sources high-quality grains (maize, dry beans) from ~12,000 smallholder farmers, with key domestic off-takers including food processors, maize millers and increasingly animal feed processors. The capacity of the company to continue offering services to farmers has been dramatically constrained by a liquidity crisis sparked by COVID-19. Company clients were not able to pay for the commodities supplied to them, with average inventory days shifting from 30 days to 75-90 days and some stock was held meaning the company was not able to purchase crop from ~5,400 farmers from the new planting season as a result of liquidity issues.

The combination of these elements has created a situation where the company urgently needs additional funds to maintain and increase its capacity to provide access to market to farmers to retain its market position; targeting a low-cost facility of \$ 500,000.

### III. Duties and Responsibilities

- Assist company management on cash flow analysis to understand and validate the impact of the funding gap created; and working capital required
- Support development and/or refinement of a financial model and pitch deck to approach funders
- **Identify possible financiers (with appropriate fit and interest rates); and develop pipeline**
- **Support securing of meetings and funder negotiations**
- **Support review of funding terms; make recommendations**

Activities highlighted in bold will form the major and critical part of the scope. Candidate selection and performance will be judged on capability to implement and successful achievement of these.

### IV. Deliverables

<b>Activity</b>	<b>Deliverable</b>	<b>Anticipated due date</b>
Conduct baseline diagnostic (incl. cash flow analysis, financial model and funding gap assessment); complete workplan and confirm project KPIs	Diagnostic report (incl. outline of high-level recommendations and plans)	9 October 2020
Based on validated financing requirement, develop pipeline of appropriate financiers taking into account appropriate cost, terms etc aligned to the business, its plans & current investors	Financier pipeline developed	15 October 2020
Prepare pitch deck for appropriate funders	Pitch deck submitted and approved by steering committee	15 October 2020

Facilitate introductions to possible financiers and support meetings as/when needed and relevant	At least 3 tangible financing opportunities originated	15 November 2020
Provide ad-hoc technical advisory support (e.g. to review funding terms) and make recommendations based on meeting outcomes	Quality review and inputs provided to company management on potential financing agreements	30 November 2020
Facilitate bi-monthly steering committee meetings to present findings/ recommendations and/or progress	Bi-monthly steering committee meeting slides and minutes	Bi-monthly starting 15 October up to 30 November

## V. Expected Impact:

The company is already behind 2020 revenue targets and will fall behind 2021 targets if working capital is not raised in advance of the February buying season. Access to affordable working capital will help the company to lower interest costs and increase sourcing volumes (1.5-3x) towards meeting or exceeding targets in 2021. Use of funds to set up a revolving facility will help the company to improve cash flow management, buy more in a timely manner and increase volumes traded; allowing the company to maintain and increase smallholder purchases and sales.

**Smallholder Farmer (SHF) impact:** Company is able to purchase from at least 5,400 additional farmers.

**Business impact:** Company will be able to purchase more volumes and secure sales to customers.

The KPIs of the working capital raise project will be the following, where this consultant will be held accountable to achieving KPIs in bold:

1. **Value (\$) of affordable working capital raised**
2. *Number of additional SHFs selling to company (disaggregated by gender)*
3. *Total incremental volume of grains procured (in MT) from SHFs*

## VI. Skills Required

- Experienced finance consultant with expertise in raising capital for social impact focused businesses in developing countries.
- Track record of successfully supporting companies in fundraising required; with experience in Africa and agriculture preferred.
- At least five years of relevant experience required.
- Advanced degree in business management or other relevant field preferred.
- Experience working with private agribusiness companies around shared value initiatives required.
- Strong impact investor/DFI networks required; with proven track record liaising with financial institutions and private sector. with evidence of strong working relationships with financiers.
- Prior strategy consulting experience will be reviewed favourably.
- Strong stakeholder engagement and communication skills required.
- Demonstrated leadership skills, teamwork and relationship building.

- Proven expert analytical and quantitative skills.
- Excellent written and verbal communication and interpersonal skills.
- Strong computer skills, including MS Word, PowerPoint, and Excel.
- Ability to work independently, flexibly, and responsively.
- Ability to adapt to changing working conditions.
- Ability to prioritise and meet deadlines.

## **VII. Instructions**

Interested candidates should submit their CV, with cover letter; budget and a workplan which captures their indicative approach to implementing the required assignment. No travel is expected.

TechnoServe reserves the right to award the contract to the submission that is deemed to be in the best interest of TechnoServe and the Donor. The winning submissions will be notified in writing. Those who were not selected may or may not be notified, at the sole discretion of TechnoServe.

**Submission deadline:** 28 September 2020

Questions regarding this request may be addressed to Melanie Machingawuta ([mmachingawuta@tns.org](mailto:mmachingawuta@tns.org)) and must be received no later than 25 September 2020.

## **TERMS AND CONDITIONS**

1. The Request for Qualifications is not and shall not be considered an offer by TechnoServe.
2. All responses must be received on or before the date and time indicated on the RFQ. All late responses will be rejected.
3. All unresponsive responses will be rejected.
4. All awards will be subject to TNS contractual terms and conditions and contingent on the availability of donor funding.
5. TNS reserves the right to accept or reject any submission or cancel the solicitation process at any time, and shall have no liability to the proposing party submitting for such rejection or cancellation of the request for qualifications.
6. TNS reserves the right to accept all or part of the submission when award is provided.
7. All information provided by TNS in this RFQ is offered in good faith. Individual items are subject to change at any time, and all bidders will be provided with notification of any changes. TNS is not responsible or liable for any use of the information submitted by bidders or for any claims asserted therefrom.
8. TNS reserves the right to require any bidder to enter into a non-disclosure agreement.
9. The bidders are solely obligated to pay for any costs, of any kind whatsoever, which may be incurred by bidder or any third parties, in connection with the Response. All responses and

supporting documentation shall become the property of TNS, subject to claims of confidentiality in respect of the response and supporting documentation, which have been clearly marked confidential by the bidder.