Subaward Request for Applications

RFA Release Date:	25 August 2023
Deadline for Questions:	11:59pm GMT+2, 8 September 2023
Closing/Submission Deadline:	11:59pm GMT+2, 15 September 2023
RFA Code:	IB17TAP2a
Subject:	Coffee Trader Loyalty Programme
Eligible Organizations:	Organizations and individuals with extensive experience in project management, and working with farmer groups or cooperatives in Tanzania, preferably in the coffee sector

Dear Applicants,

This document constitutes a request for applications (RFA) from eligible bidders for a project funded by the Commercial Agriculture for Smallholders & Agribusinesses (CASA) Technical Assistance Facility. It is accompanied by a template for a letter of intention to submit an application. Interested bidders should sign and return the letter of intention to submit an application to TechnoServe per contract details described in Section E (submission guidelines). Upon receipt of that letter, which also serves as a non-disclosure agreement, TechnoServe may provide additional information to the bidder.

Issuance of this RFA does not constitute an award commitment on the part of TechnosServe, nor does it constitute a commitment to pay for costs incurred in the development of an application.

Questions regarding the RFA requirements must be submitted in writing to Diana Pirri (dpirri@contractor.tns.org) by the deadline listed above. Include the RFA Code and Subject in the subject line for your questions.

TechnoServe, CASA TAF & FCDO aim to create an inclusive culture of best practice with the delivery partners with whom it engages and which receive UK taxpayers' funds. All Supply Partners and Subrecipients should adhere to the overarching principles of the Supply Partner Code of Conduct to:

- Act responsibly and with integrity
- Be transparent and accountable
- Seek to improve value for money
- Demonstrate commitment to poverty reduction and FCDO priorities
- Demonstrate commitment to wider HMG priorities

A. Background

Established in 1968, TechnoServe works with enterprising people in the developing world to build competitive farms, businesses, and industries. We have worked in more than 40 countries across Africa, Latin America, and Asia, assisting thousands of businesses and improving the incomes of millions of people.

We provide business solutions to poverty by linking people to information, capital and markets. With five decades of proven results, we believe in the power of private enterprise to transform lives.

The CASA TAF is an £8 million FCDO funded Technical Assistance Facility (TAF) to support agribusinesses that have received development finance institution (DFI) or impact investor financing to extend and deepen their smallholder impact. The facility will provide grants and technical assistance to agribusinesses that have received financing from a DFI (e.g., CDC, FMO, Norfund) or an impact/patient capital investor (e.g., Root Capital, Acumen, AgDevCo) for projects which will increase the volumes of purchases from smallholders and bring new smallholders into business supply chains. 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 that private investments in agriculture can play towards driving development impact for millions of smallholder producers across the globe. Over 5 years, our objective is to work with 35 agribusinesses to increase sales and productivity of over 100,000 smallholders, and increase jobs and rural income generation opportunities.

One of CASA TAF's supported businesses is Sucafina – a leading green coffee trader globally and the largest buyer of Tanzanian coffee – purchasing ~11,000 MT Robusta and ~6,000 MT Arabica facilitated by its local subsidiary Cotacof. CASA TAF partnered with Cotacof in October 2021 to deliver an inclusive business plan which was completed in May 2022.

To increase the proportion of certified coffee purchased, Cotacof needs to establish new direct relationships with coffee co-operatives (Agricultural Marketing Co-Operative Societies – "AMCOS") and maintain these over time. This has been implemented through the launch of a Loyalty Programme which allows for progressive investment in partner AMCOS based on the duration and reliability of the partnership. This programme was initiated in August 2022 and is currently being rolled out with 8 pilot AMCOS in Mbeya, Mbinga and Ngara regions, with the goal of increasing the number of AMCOS partners engaged over time.

The loyalty programme comprises four tiers, with increasing risk and benefit for Cotacof at each stage. A scorecard is used to assess which tier an AMCOS qualifies for and which areas need improvement to progress to the next tier. Scorecard metrics include measures of financial health as well as indicators on governance structure, operational efficiency and member composition and loyalty. Specifically, each tier involves the following:

- For Direct Export (DE), Cotacof establishes connections with AMCOS to purchase higher quality coffee directly from the AMCOS (vs via auction). This is the starting point of the

relationship which would allow for assessment of the AMCOS and further Cotacof investments via Bronze, Silver or Gold tiers.

- For Bronze tier AMCOS, Cotacof will certify AMCOS, register their farmers and record their production using a data system. This would unlock access to a certification premium and training, as well as potentially reduced interest rates with banks.
- For Silver tier AMCOS, in addition to Bronze benefits, a revolving fund will be set up to provide financing for pulpers to increase the quality of coffee produced.
- Gold tier AMCOS, already certified and with a high proportion of CPU-processed coffee, will benefit from yield development programmes to increase the volumes of their higher-margin coffee. For Gold AMCOS, the intervention will be tailored depending on specific needs.

CASA TAF provides technical assistance to support the launch and sustainable deployment of the loyalty programme, including overall operational support as well as technical support on specific high impact initiatives (e.g. stumping, input optimization, CPU loan facilitation).

B. Program Description:

Project goal

To support Sucafina to pilot an innovative AMCOS loyalty programme that helps to drive high quality, sustainable coffee production and smallholder farmer (SHF) incomes in Tanzania.

High-Level Activities

The Loyalty Programme Manager will support the business with overall operational support to launch and implement the Loyalty Programme and all associated Tier initiatives, ensuring effective execution against the inclusive business plan. The scope will involve careful monitoring of impact, timely iterations and adaptive management, considering risks or challenges that arise as the pilot is practically implemented on the ground and how this should inform future scale up.

Specifically, the Loyalty Programme Manager will work closely with the Cotacof team and Senior Adviser to deliver the following:

1) Overall operational support

- Develop operating and KPI framework to support overall programme implementation and ongoing performance monitoring (incl. for example: workplan, business processes/tools, KPI dashboard)
- Define Cotacof governance standards for AMCOS with input / guidance from Senior Adviser
- Design draft action plan framework to fill gaps (loyalty programme development plan) with input / guidance from Senior Adviser
- Facilitate development of communication materials for farmers, drawing on regional best practice, TechnoServe and other expert experience
- Pilot scorecard with field officers and selected AMCOS, gather feedback from users and feed results/feedback into scorecard refinement

- Facilitate meetings with AMCOS and farmers to explain benefits and process to qualify for Bronze, Silver and Gold tiers; moving from DE (in coordination with Field team)
- Support Field Team to develop and manage AMCOS pipeline – considering with whom Cotacof has worked previously and AMCOS that sold at auction
- Coordinate Cotacof team to refine field team operating model to deliver Loyalty Programme interventions
- Coordinate Cotacof team to roll out scorecard to all direct AMCOS partners
- Take leadership in coordinating Cotacof/Loyalty programme team to execute against plan and continuously iterate strategy (as needed) effectively.
- Monitor results and learnings from initial pilot activities; provide recommendations for scale-up and roll-out plan.

2) AMCOS partner selection and performance monitoring
- Identify target AMCOS for DE, Bronze, Silver and Gold partnerships (working closely with Cotacof Procurement and Supply Chain Coordinator)
- Approach target AMCOS to explain value proposition (in coordination with Procurement and Supply Chain Coordinator; and Senior adviser)
- Facilitate partnership agreements with AMCOS partners, working closely with senior adviser and Cotacof team
- Monitor AMCOS performance and loyalty using scorecard
- Annually assess changes to AMCOS governance across programme and continue to refine scorecard
- Identify partners with potential for promotion to silver or gold AMCOS
- Support maintenance of relationships with 8 AMCOS already piloted, and ramp-up to 14 additional AMCOS.

3) Stakeholder coordination and capacity building support
- Identify coordination needs and develop standard operating procedures (SOPs) at Cotacof and AMCOS level to support successful execution and sustainable adoption of the Loyalty Programme. Consider skills-levels, learning/management styles and AMCOS governance structures and standards to ensure "user"-appropriate/driven SOPs are developed that will be useful and used.
- Train selected field officers on scorecard use and process
- Monitor and support field team on ongoing communications with partner AMCOS to ensure alignment across the business
- Manage reporting and communications to Cotacof senior management on coffee buying activities and AMCOS activities/performance (certification, pulper loan scheme, and farmer productivity improvement programme)
- Build capacity within Cotacof teams to incorporate SOPs into day-to-day roles
- Refine the Loyalty Programme Manager role and SOPs to morph into a full-time employee role beyond the project end date; if not filled by Programme Manager themselves, train or recruit individual who will step into the role
- Support Cotacof team to train field officers on new operating model, latest certification standards and technology platform use.
- Facilitate field team training and AMCOS information sensitisation as needed to support execution, identifying need to outsource/delegate training support wherever necessary.

4) Technical assistance to implement Silver and Gold tier package(s)

- Finalise design and support execution of a revolving fund structure for the Silver tier w/ Senior Adviser

- Facilitate structuring of partnership and loan agreements, as well as confirmation of equipment and wet mill infrastructure requirements for already selected AMCOS for pulper loan pilot
- Facilitate mobilisation of washing station and review ordering, transport, use/maintenance of equipment and payment collection per plan – identifying and communicating any risks /challenges with key stakeholders and Cotacof management in a timely manner.
- Monitor pulper loans; identify and address any arising risks/challenges
- Identify potential silver partners to promote to gold
- For Gold tier, support Cotacof to assess and identify opportunities to improve farmer productivity, quality and incomes. Work with Agronomist and Senior Adviser(s) to:
  - Develop framework for design and implementation of selected activity(-ies)
  - Supervise farmer productivity improvement activity
  - Verify productivity improvement activity including monitoring of selected activity(-ies) (supported by 3rd party impact assessment firm)

Deliverables

1) **Overall operational support:**
   a. Develop weekly KPI dashboard and Monthly progress reports submitted and approved
   b. Implement and revise (if necessary) Loyalty Programme Action Plan
   c. Provide inputs into Gender Diagnostic, action planning, and rollout, and incorporate priorities into Loyalty Program, as necessary

2) **AMCOS partner selection and performance monitoring:**
   a. Sensitize Pipeline of AMCOS partners (at least 14 additional) to loyalty programme value proposition
   b. Identify additional Y2 shortlisted AMCOS partners for various tiers
   c. Roll out and monitor scorecard regularly with 22 AMCOS by end of project (8 already identified in Y1, 14 more in Y2), supported by Field Officer team

3) **Stakeholder coordination and capacity building support**
   a. Create key inputs, ideas, and high-level designs for effective communication materials for key stakeholders (farmers, government, roasters, banks)
   b. Develop internal business process and SOPs
   c. Train Cotacof staff and AMCOS on key activities (e.g. scorecard use, certification training, technology adoption, etc.)

4) **Technical assistance to implement Silver and Gold tier package(s)**
   a. Pilot pulper loan effectively with results and learnings documented
   b. Design and implement productivity improvement projects

Budget

A total of up to £56,000 is available for the cost of implementing this project. These funds are provided jointly by the CASA TA Facility and Cotacof. A performance-based fixed fee contract will govern the fee payments for the project.

Location

The project will be based in Tanzania, primarily the Southern Highlands region (Mbeya) with infrequent travel potentially required to Dar, Ngara, or Moshi.

Timing

The project duration is estimated at 14 months starting 1 October 2023.

TA mechanism

Open

Value for money

Potential TA providers will be evaluated in terms of value for money with a benchmarking of bidder costs in relation to outputs before TA contracts are awarded.

The selected subrecipient will be subject to a Risk Assessment Analysis prior to contracting which will ascertain the TAF service provider's value for money capabilities and commitment. Proposed costs will be analysed in relation to market rates. However, payment will be based on performance once the project is contracted.

Duty of care

The Sub-recipient owes a duty of care to the Subrecipient personnel and is responsible for the health, safety, security of life and property and general wellbeing of such persons and their property and this includes where the Subrecipient personnel carry out the Services. An assessment of the consultant's duty of care capabilities will be undertaken pre-award.

Required Qualifications

- Bachelor's Degree with a minimum of five years of relevant work experience in business or project management in a similar context required
- Should possess excellent business management and project management skills
- Experience working with farmer groups in Tanzania, such as Agricultural Marketing Co-Operative Societies required
- Experience supporting organisations and/or farmers to adopt certification standards and productivity improvement techniques
- Experience working in coffee value chains preferred

- Experience in or passion for implementing field work in a developing country required, experience in South West and North West region of Tanzania preferred
- Full professional language proficiency in English required. Full professional language proficiency in Swahili preferred.
- Experience working with corporations around shared value initiatives required
- Proven analytical and quantitative skills
- Excellent written and verbal communication and interpersonal skills
- Strong computer skills, including MS Word, PowerPoint, and Excel
- Experience with PowerBI (or similar BI tools)
- Ability to work independently, flexibly, and responsively
- Ability to adapt to changing working conditions
- Ability to prioritise and meet deadlines

C. The Application and Subaward Process

Application Submission

The subaward application process under this RFA will consist of 1 phase of competition where full applications shall be submitted by interested parties to TechnoServe for evaluation. Application sections must include, but not limited to:

- How the organisation intends to carry out the project – proposed approach, actions/activities and timelines, and project/stakeholder management plan.

- Milestones and results to be achieved over the life of the project

- Team structure; roles and responsibilities of each team member

- Budget details (including any value for money arguments) with the level of detail similar to the budget template provided for guidance, and compliant with FCDO's Cost Eligibility Guidance for Commercial Contracts (found [here](#)).

- Risk Matrix and risk mitigation strategy - A risk matrix should be included that outlines the risks to project success, the size/importance of each risk to the project, and the proposed mitigation strategy that the TA Provider will take to minimise the risk becoming a reality. The table should also include a column indicating how the TA Provider will track the status of the risk and how this will be reported on during the project.

- Signed declarations – Attachment 1 to this RFA

- Duty of Care Response – Attachment 2 to this RFA

Step 1:

Applications will be developed and submitted by the Applicant to TechnoServe utilising the templates provided (or other referenced material as stated in the RFA) in accordance with all guidelines by the stated submission deadline. Late submissions will not be accepted.

The main body of the technical proposal should be no longer than 5 pages.

Step 2:

Applications will be vetted by TechnoServe staff to ensure each application meets the requirements set forth in this RFA. Any applications failing to meet minimum requirements will be disqualified from competition. The minimum requirements include the eligibility criteria, use of application templates provided, submission by the deadline, etc.

Step 3:

Applications received within the application deadline that meet the minimum requirements set forth in the RFA will be evaluated by a Selection Committee using the following criteria:

Selection Criteria	Scoring
Relevance of the proposed project to the RFA; feasibility of planned activities and anticipated results (including project sustainability and impact on target beneficiaries/communities)	20
Illustrated capacity of the applicant to implement the project and past experience with similar projects	40
Quality of proposed personnel	20
Budget reasonableness and cost effectiveness	20
Maximum Score	**100**

Step 4:

The Selection Committee will recommend those applications with the highest scores for award. As applicable, the Selection Committee may request applicants to provide additional information and edit their applications. In such cases, the Selection Committee will also establish a deadline for submission of revised applications.

Step 5:

Successful applicants will be notified by TechnoServe and will begin to work with TechnoServe staff to revise their applications to be incorporated into a full subaward. This step will include a pre-award risk assessment.

Step 6:

Following the successful conclusion of the application process and acquisition of any required donor approvals, TechnoServe will issue the successful applicant(s) with a subaward with details on the scale, scope, cost, and terms and conditions. Whenever possible, TechnoServe will meet with new subrecipients to provide an orientation outlining the main requirements for performance and reporting.

Step 7:

Throughout the duration of the subaward, TechnoServe will monitor the subrecipient's performance and compliance with all subaward terms and conditions.

D: Program Budget Submission and Costing guidelines

Individual subawards will vary depending on availability of funding, nature and scope of program activities, the period of implementation, and justification of costs proposed. Although consideration will be given to all applications received by the deadline, it is recommended that the total budget requested from TechnoServe does not exceed £56,000. Subawards will be issued on a competitive basis and only to a selected number of applicants.

While reviewing application budgets, the Selection Committee will ensure that:

1. The budget application reflects all the resources necessary for program implementation (Direct and Indirect Costs, including taxes, as applicable).

2. The budget notes column provides details on all types of costs planned and cost justification.

3. All costs budgeted are eligible. Information on eligible and ineligible costs can be found here. Budgeted costs categories may include but are not limited to:

a.   **Personnel:** Salaries and benefits for full and part-time staff involved in the project. Staff can be paid only for activities performed within the framework of the proposed project. All personnel expenses must be justified with information on the role of the proposed staff in project implementation.

b.   **Consultants and Other Outside Services:** Fees for any external consultants or contracted firms required to support subaward activities.

c.   **Travel:** Flights, per diem, and any other required travel costs for project personnel to conduct implementation activities.

d.   **Office Costs:** Any required cost for the subrecipient's local office to support project implementation.

e.   **Supplies and small equipment under £500:** Any project-related supplies and small equipment with a unit cost under **£500**.

f.   **Equipment:** Any project-related equipment with a unit cost above **£500**, such as project vehicles or generators.

g.   **Other Direct Costs:** Any other direct costs of the project, such as costs for conducting trainings, developing publications, etc.

h.   **Indirect Costs:** If applicable, organizational overhead costs. This must be an annually audited rate, or negotiated through FCDO's NPAC procedure.

i.   **Taxes:** The applicant agrees to adhere to the appropriate regulatory requirements and ensures that the correct taxes are included in the proposal in relation to the country in which the applicant operates.

Pre-Agreement Costs - TechnoServe will not reimburse costs incurred prior to the effective date of the subaward. In special cases where pre-agreement costs are necessary to comply with the proposed delivery schedule, TechnoServe may discuss and negotiate with the applicant the approval of certain pre-agreement costs. Such costs are only eligible with the prior written approval of TechnoServe.

E. Submission Guidelines

Applicants must submit their applications, budgetary information as well as any other information responding to the terms, conditions, specifications and requirements of this RFA to:

TechnoServe

To: Diana Pirri, Senior Technical Advisor

Email Address: dpirri@contractor.tns.org

Applications must be received by the submission deadline specified on the first page of this RFA. Late submissions will <u>not</u> be accepted.

F. Reporting Guidance

Financial Reporting

This is a Fixed Amount subaward. No financial reporting on expenditures is required.

Program Reporting

Program/technical reporting will be defined during the contract negotiation stage and is expected to be closely linked to the milestones to be defined in the Subaward.

Attachments to this RFA:

Please click on this link to download the attachments.

Attachment 1: Declarations

Attachment 2: Duty of Care Response

Attachment 3: Budget Template

Attachment 4: Letter of Intention