**Scope of Work**

**Consultant:** Individual

**Program:** AgriFin Digital Farmer (ADF II)

**Scope of Project:** Financial Services Engagement Support Consultant

**Country:** Tanzania, Uganda

**From:** 30. Feb 2022

**To:**  28. Feb 2024

**Task Manager:** Program Deputy Director

**Technical Manager** Senior Digital Finance Manager

**Program Context**

Nearly one and a half billion poor people live on less than US$1.25 a day. One billion of them live in rural areas where agriculture is their main source of livelihood[[1]](#footnote-1). An estimated 70 million Small Holder Farmers (SHF) live in Sub Saharan Africa, over half of whom are women[[2]](#footnote-2). Smallholders, who typically farm two hectares or less, provide over 80% of the food consumed in a large part of the developing world, contributing significantly to poverty reduction and food security[[3]](#footnote-3). However, increasing fragmentation of landholdings, especially in infrastructure, coupled with reduced investment support, growing competition for land and water, rising input prices and climate change threaten this contribution, leaving many smallholders increasingly vulnerable. 

Given increasing world populations and demand for food, SHFs occupy an important segment of the global agricultural value chain[[4]](#footnote-4). Multinational buyers will increasingly rely on smallholders to secure their supply of commodities and to help satisfy consumer sustainability preferences[[5]](#footnote-5). At an estimated $450 billion, the global demand for smallholder agricultural finance is large—and largely unmet. Credit provided by informal and formal financial institutions, as well as value chain actors, currently only meets an estimated USD 50 billion of the more than USD 200 billion need for smallholder finance in the regions of sub-Saharan Africa, Latin America, and South and Southeast Asia[[6]](#footnote-6). Impact driven smallholder agricultural lenders, such as Root Capital in Kenya and elsewhere, currently satisfy less than two percent of the demand.[[7]](#footnote-7) The volume and value of savings, lending and payment transaction SHFs in most African countries is not specifically measured.

Mobile phones are a powerful tool to access the electronic national retail payments system and enable vast numbers of clients to use a range of financial and informational services at lower cost. In agriculture, progressively more services are being delivered via mobile phone and as it was revealed in the 2015 Farmer Benchmark and Payment Study, 92% of the respondents owned at least one mobile phone. Applications such as iShamba and Arifu direct specific, timely information on agricultural production methods to farmers through their mobile phones. Moving beyond one-to-one communication, M-Farm is an Internet- and SMS-based service in Kenya that allows farmers to aggregate; it publishes wholesale price information on 42 crops and provides a platform for smallholders to collectively sell crops and buy inputs, thereby lowering costs and accessing new markets.

**AgriFin Digital Farmer (ADF II) Program Overview**

AgriFin Digital Farmer II currently represents **a $12 million, four-year program working** in **Kenya, Tanzania, Ethiopia and Nigeria**, with potential to expand to other markets (Uganda+). In partnership with Bayer Foundation, ADF 2 seeks to support the expansion of digitally-enabled services to 5 million smallholder farmers, delivered by growing ecosystems of diverse service providers and building farmer income, productivity and resilience across by 50% while reaching 40% women.

The program’s core innovations are: 1) a **rapid iteration engagement model** to drive innovative, client-centric product development; and 2) our work with **partners to develop “bundles**” of mobile-enabled services offering farmers affordable access to digital financial and market informational services. Our support programming is focused on enabling the following critical areas of innovation, that will follow an ecosystem and market facilitation approach supported through partnership activities and dissemination of evidence-based learning to ecosystem actors following a Market Systems Development (MSD) approach, with a strong gender focus**:**

*•Agricultural Advisory and Smart Farming Solutions, drawing on Climate Smart Agriculture (dCSA)*

*•Appropriate Digitally-Enabled Financial Services for SHF*

*•Digital Platform Models Providing Market Access, Financing, Information and Resources*

*•Digital Channels, Logistics and Mechanization*

*•Use of Digital Data for Decisioning, Product Development & Risk Management.*

The Program targets the core three outcomes will contribute to the achievement of this goal:

**Outcome 1:** *Market actors expand, improve and continue to offer high-impact DFS products and services that are tailored to address the expressed needs of SHFs;*

**Outcome 2:** Farmers increase capability to access and utilize demand-driven, high impact technology-enabled financial products and services relevant to SHFs;

**Outcome 3:** Ecosystems around both supplier and farmers emerge supporting provision of digital financial and informational services to SHFs that are used at scale.

Building on the AgriFin approach, partnerships and experience to date, ADF II will build on existing approaches and partnerships, leveraging in new programming to:

• **Design, Test & Scale Digitally-Enabled Climate Smart Agriculture Solutions (dCSA)** focus alongside other innovation areas: Climate change is already causing yield declines for staple crops exacerbating food insecurity on the African continent. Farmers are struggling to know more and more to know how best to manage their farms. ADF II will continue to maintain a focus on the original ADF II (five) focus areas of innovation i.e. (a) smart farming & ag advisory; (b) financial products & services; (c) digital markets; (d) logistics & distribution; and (e) alternative data & credit scoring leverage climatic data;

• **Deliver on Digital for Women:** AgriFin is committed to address the digital divide by designing products and services specifically for women farmers and women in agricultural value chains. Designing for women ensures uptake, active use and impact, while increasing agricultural productivity, inclusion, poverty reduction and climate resilience. AgriFin impact evidence on gender points forward to the importance of digitizing groups, building meaningful financial bundles that are savings-led, building farm skills, market linkages and ensuring a trusted human support role as women build decisioning power, digital access and digital literacy;

• **Address Impacts of COVID-19 and Desert Locust:** Recognizing the dramatic impact of COVID-19 and Desert Locust across our markets, we have seen that digital solutions are a lifeline to create safe, transparent, efficient and scalable solutions for farmers and the value chains in which they work. AgriFin has already successfully leveraged and will continue to engage existing agile programming, technology innovation and partnerships to scale services for farmers, while protecting the companies and markets serving them, working to rebuild livelihoods and food systems;

• **Crack the Digital Platform Code** by building on existing and developing new platform partners, continuing to leverage digital data and diverse bundles of products and partnerships. AFD II will support existing partners, including platforms like DigiFarm, KALRO, WeFarm, World Bank Million Farmer Platform, WhatsApp for Business, One Acre Fund, Vodacom, GoogleX and ATA along with new partners like Yara/IBM, Digital Green. Each of these partners have explicitly stated the need for platform and dCSA approaches;

• **Support Breakthrough Models for Digital Data Sharing and Usage**: Leveraging a strategic approach with AgriFin partners, including government, private sector, academics and development agencies to break down data silos and build collaborative data agendas and learning areas, leveraging closer relationships with other key think-tanks and Open-Data initiatives to shape the data opportunity in agriculture. AgriFin will develop and disseminate actionable data toolkits that can be refined directly in work with partners and available externally as a public good, continuing to push sustainable business models, open data sharing environments, farmer inclusion and research and learning around data and data sharing.

• **Support Ecosystem Learning, Impact Evaluation & Reporting.** Market ecosystem actors and the development community lack sufficient information, proven products and tools, and effective partnership models to successfully provide effective digitally-enabled services to farmers. AgriFin serves as a public information resource related to digitally-enabled services for smallholder farmers, share program research, tools and project engagement learning, as well as disseminate lessons learned through a dedicated website and social media.

**Country Selection**

In response to farmer needs and ADF program learning, Mercy Corps aims to leverage current AgriFin partnerships and learning to expand and deepen our work to address the looming food security and climate change crisis to **extend high-impact, digitally-enabled services for over 5 million smallholders** and the agricultural value chains they work across our existing markets in **Kenya, Tanzania, Ethiopian and Nigeria, with expanded service support services in adjacent markets** with national, regional and global partners over the next four years. As our hub markets in Kenya and Tanzania mature, ADF 2 will extend models, funders, Mercy Corps’ African footprint in 16 countries and regional partners like AGRA, CGIAR and FSD to drive growth in new and former AgriFin markets, including Uganda, Mozambique, Zambia, Zimbabwe, Ghana, Senegal, Sudan and DRC.

**Purpose of Engagement**

The consultant or consultancy firm will be required to advance Tanzania and Uganda based financial services- partnership relationships while supporting the Nairobi based technical team in successful implementation and evaluation of ADF engagements. This will include crafting engagements, developing new/existing partnerships and facilitating product development initiatives that meet the strategic needs of our core partners.

**Scope of Work**

This scope of work sets the terms of reference for the consultant for AgriFin Program Tanzania/Uganda implementation. Under the direction of the AgriFin Program Technical teams, the consultant will be responsible for the following key activities:

**Partner Engagement and Financial Services Support**

* Support strong partner relationships, project plans and product roadmaps.
* Assist and in some cases lead the development of partner business and work plans, reviewing research, marketing plans, business processes, operational manuals, product and technology specifications, and financial statements to do so.
* Perform tasks based on project plans, those agreed with ADF II management, and those assigned by program management.
* Monitor project progress, with regular oversight of technical consultants or third-party providers, report and resolve, or assist in resolving issues, under direction of ADF II management
* Prepare project progress reports and status updates.
* Conduct due diligence on prospective partners, compile required legal documents and share reports on the same.
* Keep up to date with the respective countries agri/fintech ecosystems and participate ongoing learning meetings with program stakeholders related to program focus areas, working in coordination with technical team managers.
* Assist the program in identifying technical consultants as needed, in preparing terms of reference and scopes of work, and provide support and oversight for consultants as required.
* Contribute to the AgriFin Program learning agenda and track partner impact metrics as and when required.

This project implementation shall be fully consultative with key stakeholders and all learning outputs will be developed in close coordination with AgriFin program and related partners to ensure recommendations and final learning outputs remain strategically aligned the program strategy.

**Deliverables**

The consultancy will provide ADF II with the following deliverables, with specific timelines to be agreed in the approved consultant workplan:

1. Weekly back to office report (BTOR) following partner meetings and engagements, including a summary of project status, potential project risks, and any other updates from partner meetings with ADF II partners, existing donors, contractors, and other ecosystem members.
2. Weekly check-ins with the Task Managers – outside of the standing Technical Team meetings.
3. Monthly report updating project status, potential risks and any other updates from partnership implementation in the months.
4. Partners engagement strategies, roadmaps and product workplans on a need’s basis.
5. Final/handover report on activities with partners and future prospects for developments in additional program areas with working partners.

**Required Qualifications**

1. Masters degree in Finance, Technology, business, engineering, economics, or relevant field by individuals/team members
2. Work experience in providing advisory services for multi-year international Agricultural and financial sector development projects.
3. Proven expertise in proposal writing.
4. Demonstrated strong management, coordination, teamwork and planning skills.
5. Familiarity with Mercy Corps systems is a plus.
6. Strong analytical and technical skills.
7. Excellent communication skills (written interpersonal and presentation skills in English and a proven ability to establish and maintain professional relationships.
8. Ability to offer coaching, mentorship and development of technical capacity.
9. Local country geographical knowledge is a plus

**Project Learning Agenda**

The following Key ADF II Learning Agenda questions will be addressed:

1. What financial and value-added products and services do SHFs, including women and youth, value most and why?
2. How does bundling of products and services impact uptake and usage of digital financial services?
3. What capacity building tools have the highest impact on SHFs willingness and ability to use digital financial services?
4. How and to what extent have ADF II partners have been successful to achieve scale and commercial sustainability?
5. What are the main drivers of success and failure of different partnership and bundled approaches?

**Ownership/Control of Work Product/Publication**

Matters relating to ownership and control of work product and publication of materials produced during course of this engagement are addressed in the main contract agreement entered into between Mercy Corps and the Consultant for performance of services for AgriFin Digital Farmer II.

**Authorship and Acknowledgement**

Matters relating to authorship and acknowledgment of any materials produced by the Consultant during the course of this engagement are addressed in the main contract agreement entered into between Mercy Corps and the Consultant/ consultancy firm for performance of services for AgriFin Digital Farmer II.

**Task Manager/Coordination/Reporting**

The Task Manager for this engagement is AgriFin’s Program Deputy Director, with support from the Senior Digital Financial services manager and ADF II Technical team. The consultant will direct all communications to the ADF Task Manager.

# Endnotes

1. IFAD, Smallholders, food security, and the environment, 2013

2. Peck, Anderson, “Segmentation of Smallholder Households: Meeting the Range of Financial Needs in Agricultural Families”, 2013.

3. [New Partnership for Africa’s Development](http://www.ipsnews.net/2012/11/striving-to-increase-african-food-productivity/), & <http://www.ipsnews.net/2012/12/the-industrialisation-of-africas-smallholder-agriculture/>

4. Peck, Anderson, CGAP 2013

5. AgriFin Facility Strategy. World Bank. 2010.

6. Agriculture sector strategy 2010–2014, African Development Bank; World development report 2008: Agriculture for development, World Bank

7. Dalberg, 2012

8. McKinsey, “Lions Go Digital; The Internet’s Transformative Potential in Africa”, 2013.

9. McKinsey, “Lions go digital: The internet’s transformative potential in Africa”, Nov 2013.

10. Schmidhuber, J., Bruinsma, J., and Boedeker, G, “Capital requirements for agriculture in developing countries to 2050,” Paper presented at the Expert Meeting on How to Feed the World in 2050 of the Food and Agriculture Organization of the United Nations, Rome, Italy. Retrieved from ftp://ftp.fao.org/docrep/fao/012/ak974e/ak974e00.pdf

1. IFAD, Smallholders, food security, and the environment, 2013 [↑](#footnote-ref-1)
2. IFAD, “Sub-Saharan Africa: The state of smallholders in agriculture”, Schonberger and Delaney 2011. [↑](#footnote-ref-2)
3. Peck, Anderson, “Segmentation of Smallholder Households: Meeting the Range of Financial Needs in Agricultural Families”, CGAP Focus Note #85, April 2013. [↑](#footnote-ref-3)
4. Dalberg, 2013 [↑](#footnote-ref-4)
5. Dalberg, 2013 [↑](#footnote-ref-5)
6. MasterCard Foundation, “Inflection Point: Unlocking growth in the era of farmer finance”, April 2016 [↑](#footnote-ref-6)
7. Dalberg, 2013 [↑](#footnote-ref-7)