

Terms of Reference

Contracting a full time individual consultant to conduct Rural Finance activities of the Smallholder Agribusiness Partnerships Programme (SAPP)

1. Background of the Programme

Smallholder Agribusiness Partnership (SAP) Programme is a six-year project beginning from 2017. The Government of Sri Lanka and the International Fund for Agricultural Development (IFAD) and private sector (Agribusiness companies), smallholder farmers, Participatory Financial Institutions (PFIs) have jointly funded to promote smallholder agribusinesses by developing the strong relationship of Public, Private Producer Partnership (4P).

The overall goal of SAPP is to contribute to Sri Lanka's smallholders' poverty reduction and improve competitiveness. The programme development objective is to sustainably increase the income and quality of diet of (initially) 57,500 smallholder households involved in commercially oriented production and marketing of agricultural products.

2. Programme area and target group.

The programme has a national coverage, though special attention and preference has been given to low income districts and areas where agri-production potential is high. The programme is demand-driven and the willingness and the equal commitment of programme partners (Rural farmers, Agribusiness companies, Banks, Insurance providers etc) are essential in reaching programme objectives effectively and efficiently. More emphasis will put forward in developing Producer/Farmer Organizations (POs /FOs) under SAPP in line with Government's policy and development agenda. The programme has also to be ensured sustainability of Producer/Farmer Organizations being developed under the 4P mechanism. The target group of 57,500 poor rural households with the potential of becoming active economic players in commercially-oriented production and marketing of agro-products and services in diverse array of value chains will be benefitted.

3. Programme Components

Component 01- Access to commercial partnerships

This component includes two sub-components: (1.1) Establishing 4Ps (new 4Ps, NADeP scale ups, 4Ps with POs/FOs); and (1.2) Institutional strengthening and capacity building of Producer/ Farmer groups (within a market-driven model). A total of 35,000 households will be directly reached through 4P schemes and institutional strengthening of FOs. Rural youth will also be considered (2500 individuals) under this component to become them successful entrepreneurs through responding to demands for services generated along with value chain complements in 4Ps.

Component 02 – Access to rural finance

This component consists of two sub components: (2.1) Financing of 4Ps; and (2.2) Institutional strengthening for the financial services sector. The component follows the strategies, modes of intervention and investment opportunities that emerge under component 1 (to satisfy the credit

requirements of 4Ps and youth entrepreneurs) and aims at facilitating access to rural financial services in a sustainable manner mostly through training and providing technical assistance.

Component 03 - Programme management and policy dialogue

This component comprises two sub-components: (3.1) Programme and knowledge management; and (3.2) Policy dialogue.

4. Rationale and the objectives of the consultancy

The limited lending to agricultural sector activities and the subsequent impact on agricultural development highlights the need to promote and make accessible, agricultural financial products for the smallholder farmers under 4Ps. Through this interventions targeted farmer communities and the targeted entrepreneurs of the project are facilitated with rural financing through Participatory Financial Institutions (PFIs) at affordable interest rates. In addition, facilitation of Institutional strengthening of farmer organizations providing capacity building, seed capital and grants while facilitating to link with markets through companies are needed to serve the target groups and help achieve the overall objectives.

4.1 Objectives of the consultancy

The consultant-Rural Finance will perform duties to facilitate on the capacity building of the producers/ farmers, youth and women by providing training such as financial literacy, preparation of business proposal etc. and facilitating institutional strengthening to obtain financial services.

Specifically, the incumbent will be required to:

- have framework for capacity building programme to producers/ farmers, youth and women
- implement youth strategy aligning with the component -1
- conduct awareness and training programs to the PFIs/Promoter Companies/ beneficiaries to improve access to finance and efficient loan disbursement of the Programme.
- produce credit implementation manual/ guidelines for SAP Programme and training manual for producers on financial literacy and related subject such as marketing, improving productivity, legal and environment management.
- develop mechanism to strength CBSL and PFIs for timely loan disbursement to the farmers
- coordinate the activities related to automated web based IT system at the CBSL for smooth and timely loan scheme implementation through PFIs
- coordinate with CBSL and Financial institution to implement the Micro Finance Act.
- Facilitate activities (Institutional strengthening) to pilot or scale up the Non-Traditional Finance Product/service for smallholder farmers under 4Ps project (Implementation)

5. Roles and responsibilities

Under the direct supervision of the programme director, the consultant will perform activities under following parameters to mainstream access to rural finance aspects of the programme.

5.1 Programme implementation responsibilities

- Advise and assist programme director, other members of the PMU and social mobilizers in the effective mainstreaming of accessing rural finance under SAPP.
- In close collaboration with the PMU, develop youth strategies and action plans to be updated regularly.
- Ensure that activities of the Institutional strengthening for the financial services sector are reflected in the following.
 - AWPB preparation
 - Design and implementation of the programme M&E system & MIS
 - Programme progress reports
 - Programme supervision and mission reports

5.2 Capacity building responsibilities

Undertake to conduct training programmes for officers of PFIs and CBSL based requirements made by them and provide capacity-building for staff at the field level, PMU, implementing partners and service providers

5.3 Advocacy on policy issues

- Be familiar with Microfinance policies and Micro Finance Act.
- Identify the MF issues in relation to agriculture sector and lobbying for policy changes.
- Present evidence based information on good practices on microfinance.

6. Qualifications and experience

1. Master degree or higher degree (followed after a bachelor's degree in a recognized university) in Finance, Economics or in related fields.
2. A minimum of seven years progressive experience in finance in agriculture systems, micro-finance and banking, ideally with some management responsibilities.
3. Demonstrated experience in addressing inclusive finance issues in the context of rural development and poverty alleviation.
4. Experience in designing, delivering and facilitating tools and trainings on inclusive finance, developing and/or marketing microfinance lending products, particularly for youth and women and in the agriculture sector.
5. Experience in similar assignments in donor funded projects will have an advantage
6. Working knowledge of spoken and written English and ability to work independently in Microsoft Office Packages
7. Ability to work in other local languages would also be considered as an added qualification.
8. High degree of independence, flexibility and ability to meet strict deadlines

7. Expected key outputs

- Development of framework on Institutional strengthening for the financial services sector
- Development of IT solution at CBSL for timely disbursement of loans
- Conduct Microfinance related training / TOT programmes for staff and beneficiaries (producers, youth, women)

- Development of knowledge products (brochures, leaflets, case studies etc) and identification of interventions of access to rural finance

8. Technical Criteria for Evaluation (Maximum 70 marks)

1. Master degree or higher degree (followed after a bachelor's degree in a recognized university) in Finance, Economics or related fields - 15 marks
2. A minimum of seven years progressive experience in finance in agriculture systems, micro-finance and banking, ideally with some management responsibility - 15 marks
3. Demonstrated experience in addressing inclusive finance issues in the context of rural development and poverty alleviation - 10 marks
4. Experience in designing, delivering and facilitating tools and trainings on inclusive finance, developing and/or marketing microfinance lending products, particularly for youth and women and in the agriculture sector - 10 marks
5. Experience in similar assignments in donor funded projects will have an advantage - 05 marks
6. Working knowledge of spoken and written English and ability to work independently in Microsoft Office Packages - 05 marks
7. Ability to work in other local languages would also be considered advantageous - 05 marks
8. High degree of independence, flexibility and ability to meet strict deadlines - 5 marks

Balance marks will be awarded for the financial proposal and only candidates obtaining a minimum of 50 marks (70% of the total technical points) would be considered for the Financial Evaluation.

9. Payment Plan

Since this service is for full time annual basis, fixed monthly payment will be made for the selected consultant. He/She should submit the agreed work plan each month commencement and work done that should comply the monthly plan. Agreement will be extended based on the performance and the quality output delivery.

10. The proposal should be sent to the following address,

Chairman,
Consultants Procurement Committee (Project)
Smallholder Agribusiness Partnership Programme (SAPP)
No 41, Renuka Building (1st floor), JanadhipathiMawatha
Colombo 01

Note:

- Selected consultant has an access to receive programme documents after signing an agreement with PMU.
- The Copyrights of the related documentation/publications will be owned by SAPP programme