



Government of Malawi

MINISTRY OF AGRICULTURE

AGRICULTURE COMMERCIALIZATION PROJECT

Terms of Reference for Procurement of an Individual Consultant to Conduct Capacity Building Training on Warehouse Receipt System

1 Background

The Ministry of Agriculture (MoA) in close collaboration with the Ministry of Trade (MoT) is implementing the Agricultural Commercialization (AGCOM) Project (P158434) with financing from the International Development Association (IDA) of the World Bank.

AGCOM is a flagship project for the Government of Malawi for transforming smallholder agriculture from mostly subsistence to commercial. This project links together producers, service providers including research and extension and off-takers in a value chain, a concept known as a Productive Alliance (PA). AGCOM targets all competitive value chains in crops including horticulture, livestock and fisheries (especially aquaculture).

1.1 Project development objective (PDO)

The PDO is to increase commercialization of agriculture value chain products selected under the project. Instead of selecting the value chains in advance, AGCOM is purposely designed to allow the market decide which value chains and buyers have strong prospective commercial linkages. *Agricultural value chain products* are products of farms and agribusinesses, including crop, livestock, and fisheries products sold domestically or exported, with or without processing, depending on market requirements.

AGCOM project has four components and these are:

1.2 Building Productive Alliances

This supports the integration of small-scale and emerging farmers (defined as farmers cultivating not more than 8 ha) into value chains by improving their capacity to finance and execute productivity-enhancing investments and respond to the requirements of end-markets and buyers (off-takers): There is a provision of matching grants to participating POs for capital investments with a view to increasing production, yield, quality and sale of agriculture products, improving post-harvest storage and processing capability. AGCOM will match 70% of approved costs in support of producer organisations in a producer alliance accessed only by Producer Organisations (PO) that are in a Productive Alliance (PA). Further, a Partial Credit Guarantee Fund (PCGF) will be established to facilitate eligible participating POs access to private sector financing for PO sub-projects and this activity also includes capacity development on agriculture lending and implementation of the PCGF. PCGF is a special fund designed to reduce credit risks of project beneficiaries' in order to make their credit applications more attractive to financial institutions (FI). All value chain players (including producer organisations) in a Productive Alliance can apply for a loan through a PCGF if their proposal is successful.

1.3 Support Investment Enabling Services

This has two sub-components (a) Access to Agricultural Financing --TA will be financed to assess the critical challenges of the current system, examine international experience, and identify suitable risk mitigation mechanisms to strengthen the Malawian warehouse receipt system and concrete engagement models to increase the uptake of farmers as well as Small and Medium Enterprises (SMEs). The TA will also explore strategies for increasing farmers' and SMEs' access to warehouses in rural areas including women and youth. (b) Access to Land for Commercial Agriculture. The project will provide support for the policy and regulatory environment for increasing access to land and tenure security for commercially oriented smallholder and commercial farmers as well as other actors in agricultural value chains.

1.4 Contingent Emergency Response

This component will allow rapid reallocation of project proceeds in the event of a natural or man-made disaster or crisis that has caused or is likely to immediately cause a major adverse economic

and/or social impact. To trigger this component, the Government needs to declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding.

1.5 Project Coordination & Management

This component is financing project management activities, including the hiring of the Project Implementation Team. The PIU will coordinate the implementation of project activities, monitor project progress, ensure sound fiduciary management, social and environmental safeguards compliance, and engage in communication and reporting.

2.0 Scope of the Consultancy

As part of the deliverables within this project, the Ministry would like to build the capacity of its beneficiaries on Structured Commodity trading and Warehouse Receipt System which will potentially propel increased commodity financing and trading amongst stakeholders.

With the aforementioned, the Ministry shall carry out a series of trainings on Structured Commodity Trading and Warehouse Receipt System in Mzuzu, Lilongwe and Blantyre targeting a total of 300 Farmers, 50 Traders and 50 Warehouse operators and other stakeholders.

3.0 Objective of the Consulting Assignment and Scope of Work

The Ministry is therefore seeking services from an Individual Consultant to facilitate capacity building trainings under Agriculture Commercialization Project framework. The following are the key objectives of the training: -

- Train target stakeholders on Structured commodity trading systems;
- Train target stakeholders on warehouse operations and management;
- Train target stakeholders on Warehouse Receipt Financing;
- Carryout end of activity assessment from the participants; and
- Facilitate field visits to WRS practicing institutions in liaison with the lead team from the Ministry.

The consultant shall facilitate all the trainings

4.0 Deliverables

The consultant shall be required to achieve the following deliverables;

1. Training Reports
2. Participants Positive Assessment Reports
3. Training Materials
4. End of Activity Report

5.0 Reporting

The Individual Consultant will work with the Ministry of Trade but will be reporting to the AGCOM Project Implementation Unit (PIU).

6.0 Qualification and Experiences

This assignment will require an Individual Consultant with expertise in capacity building, warehouse receipt systems and structured markets. In addition, the Consultant should have the ability to work effectively with multifaceted stakeholders.

The Consultants should at least have the following:

- a) A Master's Degree or equivalent, from a recognized institution in Economics, Agribusiness, Agricultural Economics or related discipline.
- b) A minimum of 5 years' relevant professional experience in value chain analysis, structured commodity trading and market development
- c) Sound knowledge in agribusiness business financing
- d) Excellent communication and writing skills in English and local languages such as Chichewa, Chitumbuka and Chiyao.

7.0 Timing

It is expected that the consultancy will be for 4 months.