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REPUBLIC OF CAMEROON
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MINISTRE D'AGRICULTURE
ET DU DEVELOPPEMENT
RURAL



MINISTRY OF
AGRICULTURE AND RURAL
DEVELOPMENT

PROJET DE
DEVELOPPEMENT DES
INFRASTRUCTURES ET
CHAINES DE VALEURS
AGRICOLES
(PDICVA)

AGRICULTURE
INFRASTRUCTURE
AND VALUE CHAIN
DEVELOPMENT PROJECT
(AIVDP)

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Country:	Cameroon
Executing Agency:	Ministry of Agriculture and Rural Development
Project Name:	Agriculture Infrastructure and Value Chain Development Project (AIVDP)
Title of Consulting:	Islamic Microfinance Consultant
Mode of Contract:	Quality and Cost Based Selection among Short-list of Member Country Firms (QCBS/MC)

TERMS OF REFERENCE

N°...../2022/RFP/STB/AIVDP of

FOR THE SELECTION OF A CONSULTANT FOR ISLAMIC MICROFINANCE FOR THE AGRICULTURE INFRASTRUCTURE AND VALUE CHAIN DEVELOPMENT PROJECT (AIVDP) OF THE SOUTH WEST REGION

1. INTRODUCTION

1.1 Background

The Agriculture Infrastructure and Value Chain Development Project (AIVDP) of the South West Region, is principally a value chain development project for some selected crop types. The Government of Cameroon and the Islamic Development Bank (IDB) in August 2018 signed three financing agreements worth US\$ 53.72 million which became effective in April 2019 for the funding of the project. The implementation approach of the AIVDP focuses on developing the value chain of four major crops (cocoa, oil palm, cassava and rice) in nine specific production basins.

The Project Appraisal Report of the Kumba –Mamfe road funded by the African Development Bank AfDB, shows that despite the abundance of resources in the area, about 27.5% of the population of the South West Region still live below the poverty line. There is high incidence of poverty in all the administrative divisions along the Kumba – Mamfe road corridor: 22.8% in Meme Division, 28.1% in Kupe Muanenguba Division and up to 59.9% in some enclaved parts of Manyu Division. The situation cannot be different in the other three divisions of the Region (Fako, Ndian and Lebialem). Poverty is predominant in the rural areas mainly because most of the localities are highly enclaved. As a consequence, the Region still faces major development challenges, such as:

- ❖ Low agricultural production and productivity of key crops;
- ❖ Poor agricultural processing infrastructure
- ❖ Poor access to market
- ❖ Poor Social (health) and economic infrastructure (feeder roads and markets);
- ❖ Inefficient management of community micro projects;
- ❖ Low income (average annual household income in some of the communities that were not touched by the Rumpi Project is still below the national average which is estimated at over 250,000 FCFA);
- ❖ Weak capacity (financial, managerial and institutional) of most community based organizations (CBOs).

Based on the above challenges and in line with Government’s fundamental objective of wealth and job creation, the AIVDP has been designed and formulated to contribute to significant poverty reduction among the rural households in the project area and sustainable creation of employment for

women and the youth. Specifically, the AIVDP will address the above constraints by developing the agricultural value chain of key project area crops (cocoa, oil palm, cassava and rice) building agricultural infrastructure (irrigation systems, rural markets, road-side farm gate hangers, feeder roads), enhancing the availability of improved seeds and planting materials of high yielding varieties, training of farmers on the modern cultural and post-harvest techniques as well as providing access to finance. The project is being implemented over a period of 5 years, starting in April 2019 and is expected to directly benefit over 1.500,000 persons and about 250,000 rural households living in the project area.

1.1 Project Description

The AIVDP is an economic development project aimed at improving agricultural production/productivity and developing the value chain of key crops of the area to generate income and create jobs for the rural population particularly the youth and women. The Project design hinges on developing the value chain of cocoa, oil palm, cassava and rice through improved production, processing/transformation techniques as well as efficient and organized marketing channels. It will also support the production of plantains, groundnut, potatoes and citrus. To ensure a good movement of farm inputs and produce, as well as a harmonious human development, significant support will be provided for the construction and rehabilitation of agricultural and social infrastructure. The project structure is made up of four technical and a project management and support component. Project activities are to be carried out through various implementation partners, service providers and the beneficiary communities.

Objectives of the Project

The overall goal of AIVDP is to contribute to inclusive growth through enhanced agricultural productivity and value chain development. The development objectives are to: (i) increase incomes of smallholders and agriculture service providers; (ii) improve access to basic social/public services (WATSAN, education and health); and (iii) enhance the capacity (operational and institutional) of Farmers' Organizations (cooperatives for the most part) in undertaking rural development projects

Project Location and Beneficiaries

The project is being implemented in the South-West Region of Cameroon, which is predominantly an agricultural area of the country. To avoid spreading project resources too thin in order to ensure a greater impact, the interventions of the Project will be concentrated in the agricultural production basins along the principal road corridors of the Region. These corridors are: the Bamenda – Mamfe – Ekok, the Kumba – Mamfe, the Mutengene – Kumba; Mutengene – Idenau, the Loum- Tombel – Kumba – Mundemba and the isolated rice and potatoes production basins of Akwaya and Nkongle respectively. The project area has been carved out into nine (09) production basins (Fako Mountain, Lakes, Mungo, Ndian, Nguti, Mbio, Cross River, Nkongle and Akwaya).

Project Components

The realization of the objectives of AIVDP will be through the implementation of the following five components: (i) Value Addition and Market Access; (ii) Agricultural Production and Productivity; (iii) Basic Social/public services (iv) Capacity Building; and (v) Project Management and Support.

- A. Value Addition and Market Access: The objective of this component is to enhance farmers' income through provision of rural infrastructure for effective value chain development. The following facilities will be created under the component: construction/rehabilitation of rural roads, construction of market infrastructure (rural markets, farm-gate market hangars, and warehouses), construction and operationalization of agro-processing facilities for cocoa, palm oil cassava and rice and enhance the rural savings and loans system.
- B. Agricultural Production and Productivity: The aim of this component is to improve agricultural production and productivity through development of the following sub-components: Construction of irrigation network in 200 ha of arable land, Production and distribution of improved planting material and Provision of farm Inputs (agro-chemicals and fertilizer).
- C. Basic Social/Public Infrastructure & Services: This sub-component consist of construction/rehabilitation of 32 potable water supply schemes, construction of 50 Ventilated Improved Pit (VIP) latrines; promote the protection of 50 water catchment areas, support community social infrastructures through the construction/rehabilitation of 10 double classroom blocks, 7 health centres, and 7 multi-purpose community empowerment centres.
- D. Institutional Capacity Building: This component aims at building the capacity of farmers, cooperatives and other stakeholders on the value chain activities in the areas of production, processing and marketing. In addition, the cooperatives will be provided with business development training, access to finance, and cooperative management.
- E. Project Management and Support: This component will support project implementation activities and cover three key areas: (i) the Project Management Unit (PMU) which will be established in Buea (project headquarter); (ii) Consultancy services(Audit, M&E, Mid-term and completion review); and (iii) Start-up Workshop and familiarization visit to IDB.

2. JUSTIFICATION OF THE ASSIGNMENT.

The Project Appraisal Document (PAD) of the AIVDP highlights insufficient access to finance as a major obstacle to agricultural production and improvement of livelihoods in the Project area. Consequently providing access to finance was identified as a key activity with potentials to contribute to the attainment of the objectives of the Project.

Farmers in the South West Region have very limited access to finance. Credits to the rural sector are provided essentially by Microfinance Institutions (MFIs), which have only short-term resources that are also expensive (20-30% interest rate). These MFIs cannot satisfy the demand of farmers and there is a high cost of return on loans. The AIVDP project intends to support farmers in the South West Region by extending a line of Islamic microfinance of up to US\$ 3.50 million. Also, the network of 55 “Village Barns” created by the AfDB sponsored Rumpi Project in the South West Region during the period (2014 -2016) before the onset of the socio-political crisis, recorded an average annual savings of over 1.4 billion FCFA (US\$ 2.25 million) with 17,640 members by 2016. Furthermore, this network consolidated its institutional structure through the establishment of an umbrella network organization of village banks, known as the South West Association of Village Banks (SWAVIB), which was identified as a Project Implementation Partner to ensure the successful implementation of the microfinance activity of the AIVDP. It should be noted that in order to conform to the new COBAC regulations, SWAVIB has recently embarked on a transformation process to a category one (1) micro finance institution in the form of a cooperative union made up of six Divisional Cooperatives constituted by several branches emanating from the former village banks. In its new configuration the network is now known as the South West Area Village Barns Cooperative Finance (SWAVIB-Finance). However, SWAVIB MFI COOP-BOD as well as its members are only familiar with the classic Microfinance approaches, thus making it very imperative for the various actors of the microfinance network to be trained in the Islamic Microfinance concept and procedures.

3. OBJECTIVES OF THE ASSIGNMENT

The main objective of the assignment is to facilitate the implementation of the microfinance sub-component by SWAVIB MFI COOP-BOD by training the staff in Islamic Microfinance.

The specific objectives are to:

- Accompany SWAVIB MFI COOP-BOD to pilot the line of financing through the Islamic Microfinance and procedures in the 85 Village Barns.
- Build the capacity of SWAVIB MFI COOP-BOD staff on Islamic microfinance methodology,
- Develop standard financing contracts, process design, mark-ups/profits and manual of procedures,
- Carry out studies to determine the actual cost of lending to estimate appropriate lending rate for various modes of Islamic Micro-finance,
- Build capacity of the staff of SWAVIB MFI COOP-BOD on the assessment and monitoring of beneficiaries;
- Develop Islamic microfinance training plan with comprehensive modules and conducting training of master trainers for subsequent exploitation by SWAVIB MFI COOP-BOD.

**4. GUIDELINES FOR THE PROCUREMENT OF A CONSULTANT SERVICES UNDER
IsDB PROJECT FINANCING APRIL 2019**

No.	Function	Qualifications	Professional Experience
1.	Team Leader (Expert in Islamic microfinance)	<ul style="list-style-type: none"> - At least a Masters’ Degree in a relevant field (Business Administration, Accountancy, Economics, Finance, Banking, Agriculture, etc.) or equivalent Expertise in sharia and Islamic lending principles - Fluency in written and spoken English is essential. - Working knowledge of French would be an advantage - Computer literacy including ability to use the advanced functions of MS office to create reports and customised spreadsheets for financial analysis and reporting purposes. 	<ul style="list-style-type: none"> - Minimum 10 years in rural microfinance - At least 5 years of relevant work experience in Islamic Micro-finance Relevant professional experience in Sub-Saharan Africa is an asset
2.	Training Manager	<ul style="list-style-type: none"> - Masters’ Degree in Microfinance, Economics, Accounting, Finance, Business or other relevant field. - At least five (05) years of training in microfinance and/or finance experience. Expertise in sharia and Islamic lending principles - Fluency in written and spoken English is essential. - Working knowledge of French would be an advantage - Computer literacy including ability to use the advanced functions of MS office to create reports and customised spreadsheets for financial analysis and reporting purposes. 	<ul style="list-style-type: none"> - Minimum 10 years in rural microfinance - Minimum 5 years of relevant work experience in an Islamic Micro-finance - Practical experience and proven track record of being a key member in successful capacity building in microfinance or Islamic microfinance - Have full working knowledge of English in written and oral form and computer software such as, MS Word, Excel, PowerPoint etc.

5. REPORTING REQUIREMENTS AND TIME SCHEDULE FOR DELIVERABLES

5.1 During Implementation

The consultant is expected to provide the following reports and documents during the process of implementing this assignment.

5.1.1 Inception Report: The consultant shall submit an inception report containing, among others the detailed work plan and methodology for undertaking this activity including any field work and meetings they would undertake during the process. This is expected to be delivered within 25 days from the date of contract signing and shall be carried out with Task-1 concurrently.

5.1.2 Periodic Progress Reports: The consultant shall be expected to submit all periodic progress reports of activities in both hard and soft copies. These periodic reports are quarterly, semester and annual reports and are expected to be submitted at most one week after the end of the period.

5.1.2.a Monthly Reports: The Consultant shall be expected to submit monthly reports of activities in both hard and soft copies. The deadline for submission of this report is five (5) working days after the end of the month.

5.1.2.b Quarterly, Semester and Annual Reports: The Consultant shall be expected to submit quarterly, semester and annual reports of activities in both hard and soft copies. The deadline for submission of this report shall be at most one week after the end of the period.

5.1.3 Special Reports: Notwithstanding the submission of the monthly and periodic reports, the consultant will be expected to submit a report upon completion of a specific activity or major task as the case may be.

5.1.4 Final or End of Assignment Reports: The Consultant shall prepare and submit a final report at the end of the assignment highlighting all the main deliverables, in the format prepared by the Consultant and approved by the Client. All reports must be submitted in hard copies and soft copies in USBs or CDs.

6. DELIVERABLES

As the SWAVIB MFI COOP-BOD network enlarges, capacity building will be essential at all levels to ensure proper management and monitoring of the village barns. As such, the following deliverables will be expected:

- a) Training reports for SWAVIB MFI COOP-BOD management
- b) Training reports for staff of village barns
- c) Training reports for management committees of the village barn network
- d) Report of the Strategy, action plan and evaluation studies of SWAVIB MFI COOP-BOD within the context of AIVDP activities
- e) Develop essential Operation Manuals (OM) for the Islamic Microfinance products, village barns, training modules, contract templates and others.

7. Professional and support counterpart personnel to be assigned by the Client to the Consultant's team: The Consultant shall work closely with the Gender Development Officer of the PMU.

8. DURATION OF THE ASSIGNMENT

The duration of the implementation of the assignment has been fixed for twelve (12) months in line with the duration of implementation of the AIVDP Project. Notwithstanding, any extension of the Project may also engender the extension of the consultancy.

9. MANAGEMENT OF THE ASSIGNMENT

The assignment shall be commissioned by the AIVDP Project Coordinator, who shall be the Contracting Authority. It shall be accepted upon clearance by IsDB following an annual validation report by a special committee set-up for that purpose.

Note

The attention of interested Consultants is drawn to Paragraphs, 1.23, and 1.24 of the Guidelines for Procurement of Consultant Services under Islamic Development Bank Project Financing (the "Procurement Guidelines"), setting forth IsDB's policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A consultant will be selected in accordance with the *Quality and Cost Based Selection (QCBS) among the shortlist of member Country firms (QCBS/MC)* method set out in the Procurement Guidelines.

Interested consultants may obtain further information at the address below during office hours from 08:00 to 17:00 hours (local time).

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by fax, or by e-mail) by **Tuesday, 25th October 2022 at 5pm** at the latest.

The address referred to above is:

Agriculture Infrastructure and Value Chain Development Project (AIVDP)

Attention: Dr. Besong NTUI OGORK, Project Coordinator,

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