# Request for Proposals

**RFP No.** RFP-EAGC-2018-014  
**Issue date** Wednesday, October 24, 2018  
**Title** Request for Proposal for Product Review and Development of the Business Model for EAGC Grain Structured Trading Systems Including GTBH and G-SOKO  
**Email address for submission of questions** procurement@eagc.org  
The email address in the synopsis is the sole point of contact at EAGC for any questions. The deadline for submission of questions for clarifications on the RFP is **30th October 2018** at 1200hrs East Africa Time.  
**Email address for submission of proposals** procurement@eagc.org  
**Deadline for Receipt of Proposals** **Friday 2nd November 2018** at 0800hrs East African Time  
**Anticipated Award Type** Fixed Price Purchase Order. EAGC anticipates awarding an LPO to the successful bidder for the provision of specific services or deliverables. The amount will not to be adjusted if the actual costs are higher or lower than the fixed price amount. Offerors should include all costs, direct and indirect, into their total proposed price.  
**Basis for Award** The award will be made based on the experience of the consultant/firm to offer similar services. The award will be issued to the responsible and reasonable offeror who provides the best value to EAGC using a combination of technical and cost/price factors.
1. **Background**

The Eastern Africa Grain Council (EAGC) is a membership not-for-profit organization whose mandate is to develop and promote structured grain trading systems that stimulates backward and forward linkages between the various levels of value chain actors resulting in increased opportunities for the smallholder farmers to participate in formal structured grain markets. To achieve the objectives EAGC implements interventions intended to achieve a more organized marketing system that include developing markets institutions, provision of market information, capacity building and policy advocacy.

EAGC has in the past established farmer aggregation centers that are linked to certified warehouses under the GSoko System. Through the aggregation centers, the smallholders can consolidate and sell their grains. In the process, the farmers are encouraged to improve the quality of their grains by using the appropriate post-harvest practices. The warehouse operators would also offer logistical support and provide the initial check on quality before the aggregated grain is transferred to the certified warehouses thus enhancing the traceability of grains.

Farmers in the Eastern Africa region are embracing the Grain Aggregation Model, however the sustainability of Farmer Aggregation Centers relies heavily on trust among members, high volumes aggregated and linked to reliable off-takers and service providers. To address this, EAGC came up with the Grain Trade Business Hub (G-HUB) concept which is a trading system where farmers will be organized into trade units that will provide the grain handling and trading services in a commercial and sustainable manner. The G-HUB concept is embedded in the EAGC new Strategic Plan 2018-2022.

EAGC further sought partnership with CTA to implement the G-HUB Concept which has a lot of scope for solving small holder farmer’s challenges around access to input and output markets and managing post-harvest losses better.

The rationale behind the establishment of the G-HUB is based on the current structural trade gap between grain farmers and grains businesses. The G-HUB Model will enhance smallholder farmer’s access to agro-related services and markets by creating a mechanism for backward linkages. Through the Hubs, smallholder farmers can access inputs such as seeds and fertilizer, get market information and learn about grades and standards. In addition, smallholder farmers can aggregate their produce as a farmer group and sell collectively, store their produce in a certified warehouse and access markets through the EAGC’s GSOKO system.

2. **Objectives**

The Consulting firm/Consultant will work with the Working Group to identify and recommend the improvements of the G-Hubs and G-Soko business models. Specifically, the Working Group will hold a workshop to:

a) Assess and review the current G-Hubs and G-Soko mode of operation and refine their business models;

b) Explore various opportunities that can be considered for improvement of the models in order to run as commercially sustainable entities and potential investments that would add value in grain trade;
c) Assess and recommend new products that can be plugged in to optimize the functionality of the 2 models;

d) Identify innovative approaches of integrating the G-Hub and G-Soko models;

e) Develop a suitable trade facilitation fund that will stimulate the trade finance for the grain trade value chain actors operating under G-Hub and G-Soko systems.

f) Identify and propose partnerships that could support the trade facilitation fund to meet its objectives;

3. Specific Tasks

The Consulting Firm/Consultant will serve as the technical lead in support of the GTBH & G-SOKO Product Review and Business Development. Specifically, the Consulting Firm/Consultant will carry out the following activities:

Task 1: Review the G-HUB and GSoko Systems

This task will involve assessing and reviewing the current G-Hub and G-Soko mode of operation and refine their business models. This will entail:

a) Review of the documentation related G-Hubs and G-Soko;

b) Review G-Hubs and G-Soko operations model with EAGC leading Staff;

c) Provide recommendations on improvement of G-Hubs and G-Soko.

Task 2: Identify the Areas of Improvement in the G-Hub and GSoko

The Consultant will explore various opportunities that can be considered for improvement of the models in order to run as commercially sustainable entities and potential investments that would add value in grain trade. Specific tasks will include:

a) Coordinate/facilitate a workshop that will deliberate on G-Hubs and G-Soko systems;

b) Work with the workshop participants to identify the areas of improvement on G-Hubs and G-Soko for sustainability;

c) Assess and recommend new products that can be plugged into G-Hubs and G-Soko to optimize their functionality;

d) Identify innovative approaches of integrating the G-Hub and G-Soko models;

e) Provide recommendations on improvement of the Business Models.

Task 3: Development of EAGC Trade Facilitation Fund that can serve under the G-Hub and GSoko models

The Fund to be designed will help accumulate a capital base to enable G-Hub & GSoko users to access finance for grain trading purposes. Specifically, the consultant will:

a) Review previous work related to the set-up of financing options to the grain trade value chain;
b) Develop a concept note on a suitable trade facilitation fund that will stimulate the trade finance for the grain trade value chain actors operating under G-Hub and G-Soko systems;
c) Identify and propose partnerships that could support the trade facilitation fund to meet its objectives.

4. Deliverables/outputs
The Consultant will ensure that the following deliverables are achieved and submitted to the EAGC:
i). An inception report on the interpretation of the ToR and the approach to achieve the desired results, submitted 3 days after signing the contract.
ii). A document with recommendations on areas of improvement of G-Hub and G-Soko systems based on Consultant and Stakeholders’ Review, submitted after the stakeholders’ review meeting;
iii). A document with recommendations on Integrating/Collaborative options of G-Hub and G-Soko systems;
iv). A document on the Trade Facilitation Fund that contains:
   - The description of the Fund
   - The Funding Procedures
   - Lending guidelines and criteria and relevant templates for applicants;
   - Definition of the loan terms and loan repayment, borrower eligibility criteria,
   - Description of fund management arrangements.
v). End of Assignment report/ Completion Report

5. Methodology
The consultant shall work in collaboration with the Regional Manager-Structured Trading Systems during the implementation of the assignment.

6. Qualification and Core Competences of the required consultant
The expert must also meet the following requirements:
   - At least 10 years of cumulative experience in Agribusiness with extensive knowledge in the grain value chain;
   - At least 10 years of cumulative experience in grain trading, logistics and financing;
   - Good analytical capabilities & financial modelling skills / experience;
   - Excellent verbal and written Communication Skills in English;