



EUROPEAN UNION

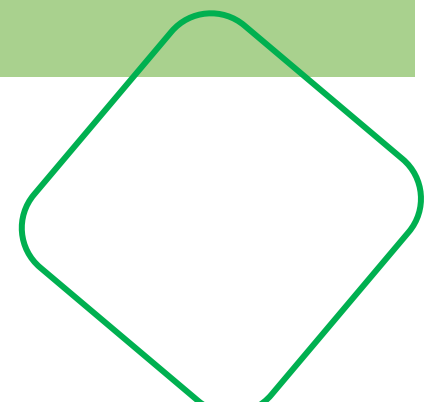


REQUEST FOR CONSULTANCY SERVICES

DEVELOPING AN AGRICULTURAL FINANCING FRAMEWORK FOR LIBERIA

THE CASSAVA TRANSFORMATION PROJECT
CERATH DEVELOPMENT ORGANIZATION | TUBMAN BOULEVARD-MONROVIA, LIBERIA

MARCH, 2022



Implemented by



BACKGROUND OF CERATH DEVELOPMENT ORGANIZATION

CERATH Development Organization (CDO) is a development organization focused on catalysing development in Africa. CDO has five main intervention areas. These include Agriculture, Fisheries, Renewable Energy, Water, Sanitation & Hygiene (WASH), and Inclusive Finance. CDO is operational in Ghana, Liberia, and Sierra Leone. In Liberia, CDO is currently operating in the South-East namely; Sinoe, Maryland, River Gee, Grand Kru and Grand Gedeh counties.

THE CASSAVA TRANSFORMATION PROJECT

The Cassava Transformation Project (CASTRAP) is the Liberia national component of the European Union funded West Africa Competitiveness Programme (WACOMP). WACOMP aims to support selected value chains at national and regional levels to promote structural transformation and better access to regional and international markets, while considering social and environmental concerns. The principal objectives of the programme are to strengthen the competitiveness of West African countries and enhance their integration into the regional and international trading system. The WACOMP consists of one regional component and sixteen national components in West Africa. This project focuses on the second most popular crop in Liberia as the entry point to achieve the objective of WACOMP in the country.

Objectives of CASTRAP

The goal of the project is to enhance the competitiveness and regional integration of Liberia's cassava sector through a value chain approach focused on sustainable production value addition, entrepreneurship, sustainable markets and enabling policies. The objectives of the project are:

- Strengthened efficiency of actors engaged in the cassava value chain to improve access to inputs, and markets.
- Enhanced production, processing, and commercialization of the cassava value chain.
- Cassava value chain enhanced to be financially sustainable, and commercially viable.
- Policies, programs, and incentives to stimulate the commercialization of the cassava sector advocated for and implemented.

CASTRAP is implemented in the South East of Liberia specifically in Grand Gedeh, River Gee, Maryland, Grand Kru and Sinoe counties. It is implemented by a consortium consisting of CDO (lead organization), Rural Integrated Center for Community Empowerment, Conservation Alliance-Liberia, and Centre for Enterprise Learning.

SCOPE OF WORK

The agricultural sector in Liberia is the primary livelihood for more than 60% of Liberia's population. Liberia has a favourable agricultural climate and a huge untapped potential for boosting the country's agricultural and rural sectors. However, local agricultural production is low, and Liberia is highly dependent

on importation of its staple food. Access to agricultural finance is key to enhancing agricultural productivity and agri-businesses in Liberia. It is also an enabler for the promotion of rural economies and for ensuring equity in socio-economic growth in the country.

Access to financing for smallholder farmers, agribusinesses, and related service providers are focal areas for achieving the objectives of CASTRAP. CASTRAP targets smallholder cassava farmers, cassava agribusinesses and entrepreneurs, and the various forms of financing institutions (including village savings and loans associations – VSLAs). While there are (and have been) initiatives to stimulate financing for the agricultural and rural sectors, there is the need for a national framework which will serve as the blue print for agricultural financing initiatives. This is expected to contribute to an enabling environment, and also postulate pathways to agricultural financing in Liberia. As agriculture continues to remain rural in Liberia, appropriate policies or strategies for agricultural financing should of essence capture rural economy financing. The presence of such a policy or strategy will enhance coherence and facilitate an efficient, and sustain impactful agricultural financing that will trigger sustainable livelihoods for the rural poor contributing to the reduction of rural poverty and food insecurity. At present, there is no framework for agricultural financing in Liberia. In light of this, CASTRAP is working with relevant stakeholders to develop a national agricultural financing framework for Liberia.

In view of that, CDO is seeking for the services of an expert or a team of experts to develop a national agricultural financing framework for Liberia with specific attention to the rural sector. The framework is expected to cover the objectives listed below:

- **Examine the status of agricultural financing, and financial sector actors in Liberia** – with this, the experts are to document existing financial products and services, as well as entities and intermediaries financing (and/or with potential to finance) agriculture in Liberia. This should delineate existing gender-sensitive and rural sector-specific products and services. The entities and intermediaries will include:
 - Agro-dealers, aggregators, or processors providing agricultural inputs on credit
 - Enterprises, banks, agricultural insurance institutions, microfinance institutions, and VSLAs providing financial products or agricultural services or equipment on credit
 - Industry associations, NGOs, and other organizations facilitating local/international market linkages and other strategic relationships that enable access to finance
 - Formal cooperatives and associations providing mechanization or farm inputs services to members
 - Donor projects financing
 - Equipment leasing firms
 - Digital financial service providers
- **Undertake a comprehensive assessment of the status of rural financing in Liberia** – with this, the experts will assess and document the strengths and challenges of current financing models (including their gendered and geographical dimensions) being implemented in rural Liberia, and their future prospects including the constraints for the incorporation of mobile technology and digitalisation. This should lead to a map out of the different financial sector actors, their respective models of financing and locations in Liberia.
- **Examine/determine the constraints, and risks faced by financial sector actors in providing credit to the agricultural sector, and farmers, agribusinesses and smallholder households in accessing financing** – with this, the experts must unearth the reasons behind the inability of financial sector actors to finance agribusiness value chain actors. This should go beyond the general narrative of “agricultural sector being risky”, to determine the push and pull factors. On the other hand, the expert must examine the core limitations of different

categories of farmers (wo/men, different value chains, rural/urban), agribusinesses (fe/male-led, different value chains) and smallholder households (fe/male-led) in accessing financing.

- **To examine successful agricultural financing models in Africa, and to propose workable /context-based model for equitable, just and inclusive agricultural sector in Liberia** – with this, the experts will identify successful rural financing and agricultural lending models, approaches and strategies in other African countries. Lessons from these successful models will inform the development of context-based agricultural financing models for Liberia. The experts will be required to develop an array of financing pathways to benefit different social groups and suitable for the major agricultural value chains (apart from rubber). Successful models in Liberia could also be examined and scaled. The pathways should include an examination of digital solutions.
- **Determine the specific policy level action or interventions required to facilitate equitable, just and inclusive agricultural financing** – with this, the experts are to first examine if the current country level financial policies are favourable for equitable, just and inclusive agricultural financing. Additionally, there should be proposals on specific policies/regulations from relevant state institutions to facilitate agricultural sector lending, including digital lending options.

DELIVERABLES

The Experts are to provide a comprehensive report which will be the National Agricultural Financing Framework (NAFF) for Liberia. The report should cover at least the following headings:

1. A review of the agricultural and rural financing status, challenges and structure in Liberia
2. A map out of the different financial sector actors; their respective models of financing (noting their digital/financial products) and locations in Liberia
3. Models for agricultural financing for Liberia
4. Successful case studies
5. Opportunities for equitable, just and inclusive agricultural financing in Liberia
6. Policy action needed to stimulate equitable, just and inclusive agricultural financing in Liberia

APPLICATION PROCESS

Interested consultant(s) or consulting agencies with expertise and experiences to undertake this assignment are requested to submit the following documents

- A proposal indicating their expertise, experience and methodology (this should not exceed 20 pages including cover page, table of content, and any annexes)
- A budget for this assignment
- CVs of the two (max) consultants.

All application documents are to be sent in portable document format (PDF) by 21st March, 2022 to procurement@cerathdev.org The subject line for the submission should be “Name of organization/Consultant – Roadmap to Agricultural & Rural Financing Consultancy”. Only shortlisted applicants will be contacted.