Terms of Reference (Amendments in red)
IDH Sustainable Trade Initiative
Farmfit Intelligence
Service Delivery Indicator Review
February 26, 2020

1. Introduction & Background

IDH Sustainable Trade Initiative ("**IDH**") accelerates and up-scales sustainable trade by building impact oriented coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners and we co-invest with partners in activities that generate public goods.

500 million smallholder farmers globally are deprived from essential services to properly develop their farming systems and increase household incomes. In Africa, regional food security for the rapidly growing population crucially depends on the successful integration of smallholder production in regional value chains. This requires companies, civil society and governments to innovate together, develop business models and forge new supply chain collaborations. IDH Farmfit Business Support drives this transformation by supporting companies and financial institutions to analyze, innovate, and scale up their smallholder business models.

Using IDH's Service Delivery Model (SDM) methodology, Farmfit analyzes the business models of companies providing services to smallholder farmers. Using the insights of the analyses, we design and co-invest in innovation projects to further improve or scale the farmer engagement model of the companies. IDH Farmfit Intelligence gathers data from our business support activities in the form of indicators and seeks to develop and share data-driven insights to broaden the impact of our SDM work. IDH Farmfit Intelligence continuously reviews its methodology to ensure alignment with the wider goals and agendas of the sector. As a result, **IDH Farmfit Intelligence seeks to hire a consultant to review the state of the art in this field, identify priority indicators (with corresponding definitions and guidance), and review the relevance of existing indicators.**

2. Objectives

The overall objective of this project is to conduct a comprehensive review of the key drivers, hypotheses and indicators relevant in the area of Service Delivery to Smallholders. This review is intended to inform the operationalization of Farmfit learning framework in a pragmatic and efficient manner. We are looking for best practices and clear approaches on key drivers and indicators of performance in SDMs, rather than a fully exhaustive, academic review of existing literature and

methods. **Neither an analysis of quantitative data held by IDH Farmfit, nor field research with farmers are within the scope of this analysis.**

The specific objectives of this project are:

1. **Determine the drivers:** The performance of different SDMs is measured against a learning framework that captures efficiency, effectiveness, financial viability, scalability and risk (more details in appendix A). Insights are often drawn on what drives this performance, whether it is in form of the context or SDM levers/design. A major element of the review will be scanning the sector to determine what additions and changes should be made to the current set of drivers. A lot of knowledge and prior research already exists within IDH. The review should therefore first document and complement internal knowledge. Subsequently, the review should incorporate both external literature and information collected through interviews with external parties. The review should also rate the importance of each driver, explaining the hypotheses behind the judgement.

2. **Recommended indicator list:** For each driver, the review should suggest appropriate indicators that are in use elsewhere or could be created. Where indicators exist, the review should determine whether the current indicator is adequate. A recommended indicator list should rank indicators on a three-point priority scale: high, medium, low. Existing indicators currently capture data from SDM operators, primary data collection and third-party data sources. Therefore, the project should also note how the relevant data for each indicator can be collected.

3. **Review performance indicators:** The performance indicators that are derived from the learning framework should be aligned with the sector to increase the utility to investors, donors, and SDM operators. The project will also need to capture the respective indicators used by each of these stakeholders and compare against the existing indicators

4. **Methodology:** To facilitate regular updates of indicators, the consultant should document both the methodology undertaken and a process for continued update including key search criteria, sources of information and methods for systematic review

For further detail on the requirements, please see the **Appendices.**

3. Deliverables (updated)

The deliverables of this project/study will be:

Deliverables of project	Deadline
Draft review of drivers and hypotheses	**Tuesday 12th May 2020**
Final review of drivers and hypotheses	**Friday 5th June**
List of recommended indicators including priority rankings, guidance and definitions	**Friday 5th June**
Methodology for continued indicator update	**Friday 12th June**

4. Procedure

The assignment will be awarded to the Consultant with the most economically advantageous tender. This is determined on the basis of the evaluation criteria of price and quality.

The procedure will be as follows:

1. Inviting Consultants to submit a proposal based on these Terms of Reference.
2. Evaluation of the proposals by the chair of the evaluation committee. The 3 proposals that receive the highest scores will be presented to the evaluation committee. The chair of the evaluation committee and the evaluation committee will evaluate the proposals based on the selection criteria as published in these Terms of Reference.
3. Decision on selection of the Consultant.
4. Inception meeting with the selected service provider.

Tender process	Timeline
Terms of Reference published	19th February 2020
Deadline for submission of proposals*	2nd March 2020
Selection of consultancy	10th March 2020
Start of assignment	18th March 2020

* Proposals submitted after the deadline will be returned and will not be considered in the tender procedure.

IDH will reject offers if any illegal or corrupt practices have take place in connection with the award or the tender procedure.

During the process, IDH employees may seek to supervise or be more heavily involved in specific areas. An example could be the joint execution of interviews with the consultant. The practicalities of this can be discussed and elaborated at the start of the assignment but should be considered in any proposal.

5. Proposal guidelines

IDH is requesting the Consultants to hand in a proposal of maximum 10 pages (excluding company biographies, CVs, sample work and references). The proposal must be handed in a MS Word or PowerPoint version next to a PDF submission to facilitate any copy-and-pasting of content that we may need during evaluation.

a. A succinct, well-documented approach addressing the requirements set out this TOR.
b. Minimum of two client references and a sample of previous work relevant to the deliverables in this TOR.
c. Statement detailing any requirements in this TOR that cannot be met.

d. An overview of the project team, including the CVs of the project team members.
e. Budget presented in Euros (ex VAT) with a break-down of man days/rate per project team member.
f. Statement on Ground for exclusion (see below).
g. Information about the legal form and ownership structure of the company (extract from chamber of commerce).
h. Copy of most recent (audited) financial accounts.

The proposal must be submitted to Kafui Adjogatse at adjogatse@idhtrade.org before **2 March 2020 at 23:00**. Any queries are to be directed by email to adjogatse@idhtrade.org. We will endeavor to answer all queries but cannot guarantee this.

6. Selection criteria & procedure

Grounds for exclusion

1. Tenderers shall be excluded from participation in a procurement procedure if:
   a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
   b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
   c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
   d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
   e) they or persons having powers of representation, decision making of control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the MFA's financial interests.

Tenderers must confirm in writing that they are not in one of the situations as listed above.

2. Tenderers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

Consultant/Consultancy profile

For this assignment, IDH is looking for a consultant with the following profile

Experience/knowledge	• Strong understanding of smallholder farming systems and economics • Strong understanding of supply chains and agribusinesses • Understanding of the agribusiness investment landscape • Experience in quantitative and statistical analysis in addition to qualitative research methods
People	• Strong interviewing and research skills. The ability to structure and communicate findings in a SMART & executive manner; • A track record of similar work and previous working experience • Network of contacts operating in agricultural value chains • Excellent writing skills in the English language

7. Evaluation Method

The proposal will be assessed based on the following selection criteria:

	Component	Criteria	Max. Grading
1	**Proposal**	The extent to which the proposal meets the required quality of services, based on the requirements in Section 6 above; - Quality of the proposed methodology & approach - Time-efficiency and breadth of proposed approach to literature reviews and stakeholder interviews	**5**
2	**Track record**	The extent to which the consultant presents the required level of expertise and knowledge, based on the requirements in Section 7: - Track record in conducting similar work, particularly focusing on indicator development in agricultural value chains - Team composition and track record of the consultants	**5**
3	**Budget**	Best price for the proposed level of quality. Budget should not exceed 40,000 euros	**5**

8. Confidentiality

The Tenderer will ensure that all its contacts with IDH, with regards to the Tender, during the tender procedure take place exclusively in writing by e-mail to Kafui Adjogatse via adjogatse@idhtrade.org. The Tenderer is thus explicitly prohibited, to prevent discrimination of the other Tenderers and to ensure the diligence of the procedure, to have any contact whatsoever regarding the tender with any other persons of IDH than the person stated in the first sentence of this paragraph.

The documents provided by or on behalf of IDH will be handled with confidentiality. The Tenderer will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Tenderer or its engaged third parties will give IDH grounds for exclusion of the Tenderer, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Tenderers will be handled with due care and confidentiality by IDH. The provided information will after evaluation by IDH be filed as confidential. The provided information will not be returned to the Tenderer.

9. Disclaimer

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the Terms of Reference, this tender, or any decision regarding the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant. IDH reserves the right to suspend or annul the Tender Procedure at any moment in time.

Participants cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

By handing in a proposal, participants accept all terms and reservations made in these Terms of Reference, and subsequent information and documentation in this tender procedure.

10. Contact information

Name   : Kafui Adjogatse
Position : Data Analyst, IDH Farmfit
Email   : adjogatse@idhtrade.org

Appendix A - Learning Framework

The Farmfit learning framework is based on the following questions:

- **Efficiency** – What drives the costs of service delivery?
- **Effectiveness** – How can farmer livelihoods and resilience effectively be improved?
- **Financial viability** – How and under what conditions can an SDM have a viable business model?
- **Scalability and replicability** – What improves the scaling and/or replicability potential of an SDM?
- **Risk** – In what ways does the SDM influence risk at both the farm and SDM operator level?

These learning questions are represented within the existing framework in the form of performance indicators. IDH Farmfit has previously established a set of drivers that influence these questions/performance indicators. These drivers are firstly distinguished by whether they are contextual factors or levers (design factors). These design factors differ from context due to the nature at which the SDM operator or service provider can control them. One example can be the type of services provided, whereas an example of context may be digital infrastructure in the region. Furthermore, drivers can be disaggregated firstly across three levels of analysis:

- Farm-level
- SDM operator/service provider level
- Enabling environment

Thus, the existing methodology comprises 277 indicators that are defined as either contextual factors, levers or performance indicators. IDH Farmfit currently has over 70 case studies that are measured against these indicators.

In addition, there are several focus areas from a learning perspective that are embedded within the effectiveness and risk questions: gender, climate resilience, food security & nutrition, and youth.

Appendix B – Potential Approach for Determining Drivers

To provide guidance over possible approaches to this project, the following hypothetical example is outlined.

1. Taking the first learning question "What drives the costs of service delivery", the consultant scans literature and speaks to relevant stakeholders to determine a set of drivers that influence the cost of service delivery

2. For each driver identified, the review briefly explains the hypothesis behind the driver's effect on the cost of service delivery supported by literature, in addition to providing a suggested indicator(s) to capture that driver

3. The consultant identifies a subset of the drivers under this question for deeper evaluation where more information is provided regarding the driver, with an evaluation of different indicators that could be used and their respective merits

The nature of service delivery is complex and there are many potential drivers. In order to avoid an overly-expansive review, the set of drivers for each learning question should be limited to 10, with the subset for deeper review being limited to 5

Appendix C – Available information

Given that IDH Farmfit has extensive expertise and has already undertaken substantial amounts of research in the area of smallholder service deliver, the successful consultant will be provided with access to the following:

- Existing indicators, definitions and guidance
- Public versions of over 50 SDM case reports
- Several (long) insights reports and other IDH Farmfit knowledge products
- Internal research on topics such as enabling environment, gender equity and farmer segmentation
- Various relevant external research documents from peers within the sector
- Primary data survey questionnaires and methodology