**SCOPE OF WORK FOR EXPANSION OF CERTIFIED SEED SUPPLY NETWORKS, MARKET LED SEEDS PROMOTION AND SEED SUBSIDIES FOR SMALL HOLDER FARMERS IN SOUTH KORDOFAN STATE.**

**SOW TITLE**: **Supporting certified Seed suppliers to expand their Business to South Kordofan State through establishment of seed distribution points, agricultural inputs promotion campaigns with a limited subsidy component to facilitate adoption, sales and use of certified seeds by Small Holder Farmers.**

**Project Location**: Kadugli, Elref Elshargi, Dilling and Habilla Localities.

1. **Background:**

Mercy Corps, in partnership with the Adventist Development and Relief Agency (ADRA), is implementing a SIDA-funded program, Strengthening Agricultural Markets and Food Security (SAFE) in South Kordofan and Blue Nile states. Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future. ADRA is the global humanitarian organization of the Seventh-day Adventist Church. Through an international network, ADRA delivers relief and development assistance to individuals in more than 130 countries—regardless of their ethnicity, political affiliation, or religious association. By partnering with communities, organizations, and governments, ADRA is able to improve the quality of life of millions through 9 impact areas.

1. **Purpose / Project Description:**

SAFE takes a market based/private sector led approach to supporting in achieving its overall goal of reduced vulnerability, increased income and food security for small holder farmers in South Kordofan State. SAFE will not deliver direct services but instead will facilitate changes in agricultural market systems, through influencing a change in the behaviors and practices of private sector actors in ways that support small holder farmers.

Specifically, the program aims to achieve the following objectives:

Objective 1: Male and female smallholder farmers have increased and more climate-resilient yields.

Objective 2: Male and female smallholder farmers increase sustainable natural resource management practices

Objective 3: Male and female smallholder farmers have improved market linkages

Objective 4: Increased gender equity and increased empowerment of men, women, boys and girls

1. **Market Analysis**

South Kordofan State depends largely on agricultural production for household food security and livelihoods. However productivity levels remain low due to a myriad of factors including lack of access to and utilization of certified inputs (Seeds, Agro chemicals and Equipment)

Farmers have little or no access to quality inputs and services necessary to facilitate their engagement in agriculture. This is because of a dysfunctional inputs market that is still developing with few suppliers, distributors, dealers and agents. The cost of establishing seed sales networks in the rural areas is high which drives up the prices of seeds. There is also a general lack of knowledge/awareness of Small holder farmers on value/ economic benefits and usage of certified seeds. Insufficient seeds sales/retail points further limits farmers’ access to the certified seeds. Particularly, when compared to men, women’s access and usage of improved seeds is even much lower. This is attributed to limited ability to access existing seed sale/retail points, lack of access to capital and lack of knowledge on the value of certified seeds.

1. **Statement of Opportunity**

This project aims at increasing access and utilization of certified seeds by both male and female small holder farmers through increasing seed access points, promoting awareness on certified seeds and increasing knowledge on how to get the maximum value from planting improved seeds.

SAFE will support certified seed suppliers to develop and expand their existing seed sales networks/access points as well as creating new ones in South Kordofan State and support the companies to offer embedded basic extension/ training services. SAFE will support the seed suppliers to also put emphasis on increasing the number of seed sales agents/retailers and farmers/clients who are women. The program will also support the seed companies to promote their products in order to influence adoption and use of certified seeds by both male and female farmers. It is hoped that this support will improve efficiency of seed sales networks for seed suppliers and which will drive down costs of operations, lower prices, stimulate demand and ultimately developing the inputs market in the State.

South Kordofan is one of the states in Sudan with relatively reliable rainfall and is characterized by fertile soils and average productivity levels. Majority of the farmers are small holder farmers who are not accessing certified seeds due to the factors highlighted above. If certified seed suppliers take measures to promote selected certified seeds and make them affordable to both male and female small holder farmers by discounting or other incentives and train farmers on best agronomic practices and proper management of their land to maintain soil fertility, they will be able to access, use and build their foundation for repeat purchase (loyal customers) of the quality inputs.

The program will facilitate innovative promotional strategies including those clearly targeting women to expand/increase new customer base and expand the input businesses of the Seed suppliers through these price discounting initiatives. SAFE expects that this initial support to seed companies will improve their penetration into rural areas, increase their customer base and ultimately increase their sales, profitability and market share.

**SAFE will support at least 2 Seed companies to carry out the activities.**

Company 1 will operate in Kadugli and Elref Elshargi localities targeting 3750 male and female small holder farmers.

Company 2 will operate in Habilla and Dilling Localities targeting 3750 male and female small holder farmers.

NB: A company with proven potential to operate within all the 4 localities and with ability to reach the targeted 7500 small holder farmers will also be supported.

The products whose prices will be discounted will include certified seeds of **Groundnuts, Sesame, Sorghum and an Assortment of Vegetables such as Tomatoes, Onions, Okra, Cucumber, Carrots etc.**

1. **Proposed partnership activities:**
2. Developing a network of dealers and agents (last mile seed sales points)
3. Developing a comprehensive certified seeds promotion campaigns program
4. Sale of certified seeds at discounted prices (Cost share basis at 80% and 90%) to small holder farmers in South Kordofan State
5. Provision of embedded extension/ training services to small holder farmers through established networks
6. **Responsibility of the partner/Input Company (ies):**
7. Establishment and advertisement of seed sales networks like distribution points, retail shops and agents in South Kordofan State to support seed sales and marketing.
8. Establish Demonstration plots to show case best production practices for maximum yield of the selected crops like Groundnuts, Sesame, Sorghum and Vegetables.
9. Develop and conduct a sales promotion program, aimed at promoting the adoption of certified seeds for small holder farmers in South Kordofan State.

**The sales promotion program** **may include, but not limited to the following**:

1. Radio talk shows on the benefits of certified seeds versus home saved seeds to convince small scale farmers to buy certified seeds with a special focus on increasing the number of female customers.
2. Radio adverts promoting the company, its seed sales networks and products
3. Van sales during market days with the identified seed retailers and agents taking lead to convince farmers to buy seeds with a special attention to female customers
4. Road side seed promotion campaigns and sales in major urban centers within selected localities in South Kordofan State to convince farmers to buy seeds with a special focus on female customers.
5. Printing and distribution of agriculture extension brochures with vital information about the selected crops, for example; variety, seed rate, spacing, potential yield, days to maturity, major pests and diseases and recommended prevention measures, crop protection product to use.
6. Develop a plan for and conduct sale of seeds at a discounted price **to at least 3,750 smallholder farmers in Kadugli and Elref Elshargi or 3,750 farmers in Dilling, Habilla** or a total of 7500 farmers in all the 4 localities which must be included in the routine business activities. The companies shall use a form provided by the SAFE program and develop a system for recording the following information from the smallholder farmers who buy seeds at a discounted price: Name, location (village, unit, locality, and state), age, sex, quantity of seeds purchased, amount paid, Mercy Corps contribution, telephone number and Signature.

**Key tasks and deliverables of the company**

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| **Tasks** | **Target** | **Timeline** | **Means of verification** |
| 1. Establishment and advertisement of seed sales networks like distribution points, retail shops and agents in South Kordofan State to support seed sales and marketing.
 | Company 1-1 main seed sales shop in Kadugli or Elref Elshargi -At least 4 seed sales agents in Kadugli and at least 4 seeds sales/retail agents in and Elref Elshargi Company 2-1 main seed sales shop in either Dilling or Habilla- at least 4 seeds sales agents in Dilling and 4 in Habilla | August 30, 2020 | Contract/agreement with each seed sales agent /retailer in the identified areas.  |
| 1. Establish Demonstration plots/garden to show case best production practices for maximum yield of the selected crops like Groundnuts, Sesame, Sorghum and Vegetables.
 | For each seed retailer/agent/sales point:-at least one demonstration plot /garden of at least 24 square meters per crop being promoted to showcase best practices. | September, 30, 2020 | Photograph of each demonstration plot which also show the surrounding environment  |
| 1. Conduct a sales promotion program, aimed at promoting the adoption of certified seeds for small holder farmers in South Kordofan State. These could include the following
 |  |  |  |
| 1. Radio talk shows on the benefits of certified seeds
 | At least 2 radio talk shows of at least 1 hour each |  | Invoice from the radio station. An audio recording of the talk show. |
| 1. Radio adverts promoting the company, its seed sales networks and products
 | At least 2 advertisements of at least one minute per advert every for 2 months |  | Invoice from the radio station. An audio recording of the advert. |
| 1. Van sales during market days with the identified seed retailers and agents
 | At least 4 vans sales days per locality -Company 1: 8 in Elref Elshargi and Kadugli -Company 2: 8 in Dilling or Habilla | September, 30, 2020 | Photo graph of each van sales event.  |
| 1. Road side seed promotion campaigns and seed sales in major urban centers
 | 4 road side seed promotional campaigns and sales per locality - Company 1: 8 in Elref Elshargi) and Kadugli - Company 28 in Dilling or Habilla | September, 30, 2020 | Photo graph of each road side seed promotion campaign |
| 1. Printing and distribution of agriculture extension brochures and posters
 | 1,000 brochure (divided equally for the different crops being promoted)At least one poster per crop being promoted for each agent | September, 30, 2020 | A copy of each brochure and poster  |
| 1. Develop a plan for and conduct sale of seeds at a discounted price
 | Company 1: 3,750 smallholder farmers in Kadugli and Elref Elshargi Company 2: 3,750 farmers in Dilling, Habilla |  | A list of all farmers who bought seeds at discounted price with their signatures, the amount they paid, and the amount mercy corps will pay |

1. **Condition of supply**

The supply of seeds above will be done on a cost-share basis.

Refugees and very vulnerable Sudanese smallholder farmers will receive a 90% discount while the Sudanese small holder farmers will receive a maximum discount of 80% of the total value of certified seeds.

SAFE will pay the discounted price of improved seeds and the farmers will pay the remaining price which will be received by the Seed supplier at the point of sale.

1. Register all farmers who buy the seeds at the discounted price using a template provided by SAFE.
2. Collect the contribution from farmers (either 10% or 20%) depending on the category of the farmer as guided by Mercy Corps.
3. The Seed Company will at the end of an agreed period of time send an invoice Mercy corps to claim the discounted amount for seeds sold to targeted farmers. The invoice shall be accompanied by to clearly signed distribution lists. Mercy Corps will not provide advance payment for seeds.
4. Provide a price list for all the selected seeds available in their supply like Ground Nuts, Sesame, Sorghum and Assorted Horticulture.
5. Transport and deliver seeds to the established sales points and locations where sales promotions will take place.
6. Ensure documentation of all activities (sales promotion, sales on discounts, etc.) using the templates that will be provided by Mercy Corps.
7. Cost–share with Mercy corps for the implementation of promotional activities and business expansion costs.
8. **SAFE responsibilities:**

Facilitate the process of development of the seeds/input market by:

1. Identifying the certified seed suppliers and contracting them
2. Hold an information sharing session (Physical/ virtual) with prospective companies to explain the opportunity and receive feedback and ideas from prospective partners.
3. Supporting the development of a sales promotion and implementation of the sales promotion drives.
4. Print and distribute vouchers with monetary values to farmers to be used for purchase of seeds. This will indicate the amount to be reimbursed by Mercy corps.
5. Pay the company the discounted amount for all the seeds sold to the farmers. **Mercy corps will pay costs of seeds based on actual sales made to farmers.**
6. Cost share with the company for promotion and business expansion activities on a mile tone based cost reimbursement method.
7. Provide the Company with the necessary tools/ forms to capture information during implementation
8. Ongoing field support during implementation
9. **Qualification:**
10. A company incorporated in Sudan, registered with the commercial registrar of Companies as a seed importer, producer, processor and marketer.
11. The company must have been in operating in Sudan in as a seed supplier for at least two (2) years.
12. The ideal company should have or be willing to create a sales network through which they market their products in South Kordofan State. Evidence of existing sales network agreements would be an added advantage.
13. The company should send a business proposal clear activities and locations, gender sensitive marketing strategy and environment impact mitigation measures.
14. The company should be willing and able to cost share for (finance part of) the promotional campaigns and business expansion costs.
15. The company should have the will and the capacity to expand sales points and or work with existing input sales shops in rural areas in South Kordofan State.
16. **Application Process:**

Companies/business entities that meet the qualifications stipulated above are encouraged/requested to submit their offers, expressing their interest to partner with SAFE complete with:

1. **Technical Criteria**

A proposal (Business proposal) which addresses the constraints above. The proposal should include a detailed budget. The proposal should clearly indicate the following on the basis of which the following marks will be awarded:

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1. The categories of Seeds varieties available (Must be all or at least 3 types of seeds including Sesame, Groundnuts, Sorghum and Assorted Horticulture) [All the 4 Seeds types =10, 2.5 for each seed type; vegetables all combined and considered as one seed type]
2. The unit price of the seeds.

 [Below PR value by between 50-75% = 10, offer compared to PR value is between 75-100%= 7, offer is above PR by up to 25% =5 marks, offer is above PR value by between 25-50%= 3 and offer is below or above PR value by over 50%=0]

1. The number of farmers targeted in the selected localities.

Company operating in 2 localities: [Below 1,000 farmers = 2, above 1,000 but below 2,000 farmers =4, above 2,000 but below 3,750 farmers =6, above 3,750 farmers =8]

1. Projected volumes of sales (SDGs) in the four localities over a period of six months [Below 10 million=2, above 10 million but below 15 million=4, above 15 million but below 20 million=6, above 20 million =7
2. Number of distribution points to be established and agents that the company intends to recruit into its distribution channel [Below 2 -5 agents=2, 6 to 10 agents=4, 11 to 16 agents= 6, above 16 agents =8]
3. A complete/detailed promotional plan and promotional activities that the company will employ to create demand for its products and services with a specific focus on women clients.
4. [More than 20 promotional points= 4, 20 to 10 promotional points = 3, 9 to 5 promotional points =2, 4 to 2 promotional points =1]
5. [More than 3 types of promotional activities= 4, 2 types of promotional activities= 3 marks, 1 type of promotional activity=2]
6. A clear plan for targeting women as customers and seeds sales agents/retailers [plan has at least 3 logical activities specifically targeting women= 5, 2 activities= 3, 1 activity =1, if not =0]
7. Measures the company will take to mitigate the impact of use of certified seed, related products and promotional activities on the Environment. [plan has at least 3 logical environmental mitigation activities =5, 2 logical activities if not =3, 1 activity =1, otherwise =0]
8. Cost share amount for the project (how much will the company contribute to the execution of these activities) excluding the cost of the seeds. [50% and above= 10, 30-below 50%= 7, 20- below 30% =5, 10- below 20% =3, below 10% =1]
9. A detailed customer complaints handling procedures employed by the company [5 if the procedure is convincing, 0 if not]
10. Consider allocating weights to Project work plans including timelines,

[Work plan activities and times lines fit with SOW timeline and practical =5, deviates by 50% but still practical =3, Work plan activities deviate by more than 50% and partly practical =1]

1. Company experience; Evidence of any previous work carried out for other donor-funded and/or international development organizations, especially as it relates to rural agricultural development, Demonstrated experience through references from previous work projects.

[Evidence of working on donor funded programs promoting access to seeds directly with farmers= 5, evidence of working on other donor programs in the seed industry but beyond just supply if seeds to NGOS/donors= 3; evidence of only supply of seeds=1, otherwise=0 ]

1. Company capability; sufficient financial strength to invest in improved products and relationships with MSEs and agro-dealers. [company can fund at least 30% of the activities =10, 20 to below 30% of activities= 7, 10 to less than 20% = 4, 5 to less than 10% =2, less than 5% =0]
2. Company profile: Existing commercial linkages with agro-dealer distributors, retailers and MSEs, capacity, years of experience, geographical distribution in Sudan.
3. [company distributors and agents in more than 5 states in Sudan =2, 2 to less than 5 states =1, less than 2 states=0]
4. [At least 3 years in seed business =3, between 2- 3 years= 2, between 1-2 years =1 and less than 1 year =0]
5. **Eligibility Criteria**

The offeror must

* be legally registered as a seed company, seed importer or seed distributor
* be in good standing with its governing tax authority
* have a physical office address branded with company name
* Show evidence of membership of any associations or entity dealing in or overseeing sale of agriculture inputs or seeds in Sudan.
* have 2 or more years of operation in the Sudan market in the seed sector
* Certificate that certifies the quality of seeds intended for sale under this call.
* be willing to accept payment through a bank (Mercy Corps will make all payments through bank transfers or cheque)
1. **Tender Submittals**

Documents and required information listed in tender submittals are necessary in order to support the eligibility criteria and to conduct technical evaluations of received offers (and due diligence). While absence of these documents and/or information does not denote mandatory disqualification of suppliers, the lack of these items has the potential to severely and negatively impact the technical evaluation of an offer

1. **Documents supporting the Eligibility Criteria:**
* Legal Business Registration (Include but not limited to Company Establishment Certificate and Agreement including ownership list)
* Latest Tax Registration Certificate
* Bank Account Information sign and/or stamp from the Bank (Include Account Name, SWIFT and IBAN)
* Company Profile, two pages max
* List of at least two similar works (including contact information) in the last three years.
* Proof of project-related technical capacity (letters, certificate, any documents proving the experience and knowledge)
1. **b. Documents to conduct the Technical Evaluation and additional Due Diligence:**
2. **Business expansion proposal**

A technical business expansion proposal will be used to determine which company has the most viable business expansion ideas. The applicant seed supplier must present business a expansion proposal which clearly details how seed retails agents will be selected, how many will be selected per locality, basis for choice of area where the seed retailers will be selected from, types and explanations of seed sales promotions. The proposal must also clearly specify how the seed supplier will promote seeds sales to women particularly through female seed retailers/sales points. Additionally, the seed company should identify the negative environmental effects that the seeds and or farming practices may cause on the environment and propose how the seed company will advise farmers against this. The proposal should detail how the company will explain how it intends to use the promotions and seeds retail points to provide advice to farmers on how to plant and properly manage the crops in the garden

1. **Price Offer:**

The Price offer is used to determine which offer represents the best value and serves as a basis of negotiation before award of a contract. As a Fixed-Price contract, the price of the contract to be awarded will be an all-inclusive fixed price basis, either in the form of a total fixed price or a per-unit/deliverable fixed price. No profit, fees, taxes, or additional costs can be added after contract signing. Offerors must show unit prices, quantities, and total price, and contribution from expected parties as seen below. All items must be clearly labeled and included in the total offered price. The price offer should be broken down in a detailed budget form according to the format provided. This budget should be structured with the following sections:

1. cost of seeds, separating the contributed by Mercy Corps and contribution by farmers
2. Cost for training farmers including training to seeds sales agents who will offer the training, cost of producing training posters for displaying clear planting information. Clearly specify the portion to be contributed by Mercy Corps and by company
3. The cost for business expansion activities clearly separating the portion to be contributed by Mercy Corps and by company
	1. Listing the cost for items such as identification of seeds sales/retail points
	2. Cost of seeds sales promotions
	3. Cost of radio talk shows and other seed sales advertisements

The budget be developed using the attached template. Proposed payment schedule should be specified.

Offerors must include VAT and customs duties in their offer if applicable

Project Expected start date: 1st July 2020

Project Expected End date: 31st December 2020