# Partnership for Agricultural Research, Education and Development (PAIRED)

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## CALL FOR EXPRESSION OF INTEREST

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**Recruitment of a consultancy firm or a group of consultants for the design of a smart and sustainable mechanism to guide States on good practices regarding public seeds and seedlings subsidies for the countries of West Africa and the Sahel**

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**Opening Date: May 21, 2021**
**Closing Date: June 18, 2021**

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**CEI No. 13-2021**

The West and Central African Council for Agricultural Research and Development (CORAF) is a subregional organization founded in 1987. It currently has 23 National Agricultural Research Systems (NARS) in 23 countries: Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Democratic Republic of Congo, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone and Togo.

In June 2017, the USAID awarded US$ 15 Million to CORAF to facilitate the implementation of a five-year program named "Partnership for Agricultural Research, Education and Development (PAIRED)" in West and Central Africa. The PAIRED is being implemented through three interdependent components: (i) Strengthening CORAF capacity for effective coordination of agricultural research and development, (ii) Establishing innovative scaling framework for Agri-input Technologies and Innovations (T&Is) in West Africa (WA) and (iii) Increasing the use of quality Agri-inputs in WA, and particularly quality seeds which form the basis of agricultural productivity and crop production

In the wake of the 2007/2008 food and nutrition crisis, governments made a comeback in agricultural subsidy policies, including agri-inputs of which seeds, in order to accelerate farm productivity and production. More recently, in response to the disruption of agricultural value chains due to the global Covid-19 pandemic, targeted one-off subsidy programs for agri-inputs have been advocated to increase the adoption of modern inputs and enhance agricultural productivity.

However, while commendable efforts have been made, there has been little impact from subsidies, and it is clear that agricultural productivity and the use of improved seeds in the subregion are still low. Evaluation reports on agri-input subsidies reveal often contradictory views. Some go so far as to report that farmers who had access to input subsidies during this period did not achieve higher yields on their plots as compared to control farmers. Surprisingly, their production even declined in the year they received the vouchers[1]. However, many people confirm that if the subsidy operation is well conducted, the seed subsidy not only makes it possible to (i) replenish the seed capital often lost after a crisis, (ii) facilitate the access of producers, especially the smallest ones, to improved varieties and significantly increase farm productivity and production, (iii) contain the risks associated with the rapid uptake of new technologies, and (iv) in some instances, alleviate the pressure of the vicious cycles of agricultural credit experienced by small-scale producers[2].

Given the urgent need to carry out reforms in seed subsidy policies, CORAF has drawn up these Terms of Reference with a view to recruiting a consultancy firm or a group of consultants to carry out a study for the Design of a smart and sustainable mechanism to inform and guide governments and development partners on good practices regarding public subsidies for seeds and seedlings in the countries of West Africa and the Sahel.

The objectives and the expected results of the assignment, the tasks to be performed as well as other information relating to the call are detailed in the terms of reference attached.

The firm will be selected according to the selection method based on qualifications of consultant in accordance with the CORAF Administrative and Financial procedures Manual, in accordance with the criteria below:

**A. Firm experience (25 points)**

**Experience for similar assignments** (relevant experience in conducting feasibility studies in the agri-input sector and / or in agricultural program and policy developments in the subregion for technical and financial partners) scored out of **25 points** (**5 points** per relevant reference).

**NB:** References must be accompanied by a certificate of service made to be admissible.

**B. Qualification of the consultant Team to conduct the mission (scored out of 75 points)**

**1. Expert No.1: Agroeconomist /Economist - Head of Mission scored out of 25 points**

***- General qualification (10 points):***

- Qualification: Hold the required diploma: He/she shall have a minimum university degree of Engineer/Master in Agribusiness Economics (**5 points**)
- Professional experience: Have eight (8) years of professional experience: (Experience ≥ 8 years = **5 points**; Experience <8 years = **0 points**)

1 J. Gignoux, K. Macours, D. Stein, and K. Wright "Why 'smart' farm input subsidies make policymakers cautious: the example of Haiti" Short link: https://bit.ly/2FCVwhH

2 World Bank "New Approaches to Agri-Input Subsidies," fact sheet from the World Bank's 2008 World Development Report, Agriculture for Development

- ***Specific experience (15 points):***
  - Have carried out at least five (5) similar assignments as Associate Auditor (**3 points** per assignment carried out).

**2. Expert No. 2: Specialist in seed issues: scored out of 25 points**

- ***General qualification (10 points):***
  - Qualification: Hold a required diploma: He/she shall have a minimum University degree of Engineer/master's in plant breeding, seed technology or seed policy, agronomy (**5 points**)
  - Professional experience of having at least 6 years professional experience: (Experience ≥ 6 years = **5 points** Experience < 6 years = **0 point**)

- ***Specific experience (15 points):***
  - Have carried out at least three (3) similar assignments as consultant (**5 points** per assignment carried out).

**3. Expert No. 3: Public Finance Specialist: scored out of 25 points**

- ***General qualification (10 points):***
  - Qualification: Hold a required diploma: He/she shall have a minimum of a Master's degree in public finance (**5 points**)
  - Professional experience of having at least 6 years professional experience: (Experience ≥ 6 years = **5 points** Experience < 6 years = **0 point**)

- ***Specific experience (15 points):***
  - Have carried out at least three (3) similar assignments as consultant (**5 points** per assignment carried out).

**The firm ranked first will be invited for negotiation after having drawn up a technical and financial proposal on the basis of the terms of reference.**

The Executive Director of CORAF invites candidates meeting the qualification criteria, as indicated in the terms of reference, to express their interest in this recruitment.

Consultant firm or group of consultants interested in this call must provide information indicating that they are qualified to perform such services (technical qualifications, references concerning the performance of similar contracts, publications, experience in the similar field, CVs of proposed experts, etc.).

Interested firms/group of consultants can obtain additional information from the CORAF Executive Secretariat by sending correspondence to the CORAF's agri-input development Expert by e-mail to: y.diallo@coraf.org.

Applications must be submitted by e-mail to the following address: procurement@coraf.org on **June 18, 2021**, 16:30 GMT at the latest.

**Dr Abdou TENKOUANO**
**Executive Director of CORAF**

# Terms of references

## Recruitment of a consultancy firm or group of consultants for the design of a smart and sustainable mechanism to guide States on good practices regarding public seeds and seedlings subsidies for the countries of West Africa and the Sahel

### A. INTRODUCTION

In West Africa, agriculture sector represents approximately 35 percent of the region's Gross Domestic Product (GDP) and 60 percent of the active labor force. Therefore, the sector is committed to achieving food security and broad-based economic growth in the region. However, despite the progress made, the sector is pending not fulfilling its goal unless measures are taken quickly to improve, inter alia, the low performance of the sector in general and the agri-input subsector including seeds in particular. Indeed, Quality seeds form the basis of agricultural productivity and crop production and the key issues to be addressed for significant contribution of seed system to agricultural output are availability, quantity, quality and affordability of improved seed varieties at the right time and for the right price.

From breeding through to variety release, production of different seed classes, quality control and certification, the seed Industry requires substantial and long-term financial investment. Moreover, seed activities are carried out by different actors whose actions and missions are linked: (i) National Directorates for Agricultural Seeds and Seedlings (seed administration, quality control and certification), (ii) Agricultural Research Institutes and Universities of Agriculture (Breeding, variety maintenance, production of breeder and foundation seeds), (iii) National Councils or Committees for seeds regulation and release of varieties and (iv) private seed actors (seed companies, seed producers or producer organizations, seed suppliers etc. In addition to the diverse range of actors (private, public, NGOs) involved therein, the seed sector remains under strong regulation aiming at a harmonious, more sustained and sustainable seed system, including the strengthening of the technical and financial capacities of the actors in the sector.

In the early years of political independence, the economic policies of Sub-Saharan countries were centrally planned and strongly subsidized, with the state playing predominant role in all development sectors. Agriculture, as a provider of food, labor and foreign exchange, received state subsidies. For the seed system, the public sector was therefore responsible for the production and distribution of quality seeds to farmers.

Poor management of agricultural programs and policies with little positive impact on the living conditions of the population, coupled with unsustainable level of indebtedness of countries resulted in structural adjustment policies: Input subsidies, including seeds, were discontinued and governments withdrew to make room for the private sector to take the

lead, which unfortunately was ill-prepared to take over. This resulted in a sharp decline in agricultural productivity.

In the wake of the 2007/2008 food and nutrition crisis, governments made a comeback in agricultural subsidy policies, including agri-inputs of which seeds, in order to accelerate farm productivity and production. More recently, in response to the disruption of agricultural value chains due to the global Covid-19 pandemic, targeted one-off subsidy programs for agri-inputs have been advocated to increase the adoption of modern inputs and enhance agricultural productivity. Several methods of seed subsidies are used, including direct distribution, sometimes using so-called "smart subsidies" practices that are provided in a targeted manner and consisting of the use of vouchers (vouchers in paper form) to subsidize the purchase of inputs for small-scale farmers or using electronic means (E-voucher) to ensure traceability and transparency of the subsidy, or in the form of countervailing subsidies through government[3]- agri-input tenders.

However, while commendable efforts have been made, there has been little impact from subsidies, and it is clear that agricultural productivity and the use of improved seeds in the subregion are still low. Evaluation reports on agri-input subsidies reveal often contradictory views. Some go so far as to report that farmers who had access to input subsidies during this period did not achieve higher yields on their plots as compared to control farmers. Surprisingly, their production even declined in the year they received the vouchers[4]. However, many people confirm that if the subsidy operation is well conducted, the seed subsidy not only makes it possible to (i) replenish the seed capital often lost after a crisis, (ii) facilitate the access of producers, especially the smallest ones, to improved varieties and significantly increase farm productivity and production, (iii) contain the risks associated with the rapid uptake of new technologies, and (iv) in some instances, alleviate the pressure of the vicious cycles of agricultural credit experienced by small-scale producers[5].

For seed producers/distributors, subsidies can (i) stimulate demand in private markets and (ii) help achieve economies of scale, which in turn will allow them to reduce prices charged to farmers.

The beneficiaries of subsidies, the subsidized crops, and the coverage level of subsidy vary from one country to another within ECOWAS, and even they may also vary from one donor to another within the same country. For the same national or Community market, this may create market distortions resulting in a lack of a fair competition. Moreover, given the magnitude of public expenditures linked to input subsidies, the sustainability and long-term viability of subsidy policies remain a key consideration for governments in order to optimize their efficiency and limit their negative impact on government budgets, and also to find sustainable solutions to market failures.

3 Gregory (IFDC), D. Rohrbach (World Bank) " Voucher Schemes for Enhanced Fertilizer Use: Lessons Learned and Policy Implications", January 2012

4 J. Gignoux, K. Macours, D. Stein, and K. Wright "Why 'smart' farm input subsidies make policymakers cautious: the example of Haiti" Short link: https://bit.ly/2FCVwhH

5 World Bank "New Approaches to Agri-Input Subsidies," fact sheet from the World Bank's 2008 World Development Report, Agriculture for Development

Given the urgent need to carry out reforms in seed subsidy policies, CORAF has drawn up these Terms of Reference with a view to recruiting a consultancy firm or a group of consultants to carry out a study for the Design of a smart and sustainable mechanism to inform and guide governments and development partners on good practices regarding public subsidies for seeds and seedlings in the countries of West Africa and the Sahel.

## B. OBJECTIVES OF THE MISSION

### ▪ Overarching Objective

The overarching objective of this mission is "to develop a guideline of good practices and proven mechanisms to better inform ECOWAS and the CILSS Member States in their decision-making process and the implementation of efficient public subsidy programs for seeds and seedlings".

### ▪ Specific Objectives

**i) Identify and critically analyze the baseline situation of the different seed subsidy programs and systems implemented in the seed sector within ECOWAS and CILSS Member States:**
- *Existence/non-existence of seed subsidy mechanism in specific countries*
- *Strengths and Weaknesses, challenges/constraints of existing mechanisms.*

**ii) Highlight the relevance and opportunity costs of seed subsidies at country level:**
- *Are the structures of the major seed subsidy programs adequate (design, targeting, risk, etc.)?*
- *Do the observed results/impacts substantiate the cost (value for money (value for money)?*
- *Are seed subsidies fiscally sustainable as an instrument to promote food security?*
- *Etc.*

**iii) Review performance and capitalize on lessons learned, including fertilizer subsidy mechanisms, and draw practical lessons that could help with seed:**
- *Success stories etc.?*
- *Lessons learned from past and ongoing experiences.*

Based on successful models of good practice in subsidy management in the seed sector and/or other similar mechanisms of input and/or equipment subsidy, the consultant will:

**iv) Propose an appropriate technical reference for smart and sustainable seed subsidies**
- *architectural arrangement of the mechanism,*
- *efficient institutional system,*
- *sustainable funding mechanism.*
- *Etc.*

v) **Develop a set of proven guidelines for a smart and sustainable seed subsidy mechanism that would be applicable at the regional level by countries:**
   - *inclusion and participation of all stakeholders from design to implementation.*
   - *the principle of subsidiarity - of complementarity and synergy of action.*
   - *transparency in the process.*
   - *Competition among private suppliers/vendors to reduce the cost of delivery of subsidized seeds to increase the quality of service to farmers.*
   - *proven quality of the seeds and associated services while considering the actual needs of the beneficiaries and the good programming of the operation due to the seasonality of the cropping season.*
   - *etc.*?

vi) **Formulate assumptions and conditionalities for the success of the mechanism and its guidelines** incorporating:
   - *Economic policies and regulatory framework,*
   - *Quality and type of subsidized seed according to the user needs, and diligence in the implementation (just-in-time principle)*
   - *Effective inclusion of stakeholders, including private actors and beneficiaries, advisory support services and transport logistics,*
   - *etc.,*

vii) **Develop a policy brief to advocate and raise awareness for effective engagement of policymakers and other key stakeholders including donors** (maximum 7 pages).

## C. EXPECTED RESULTS

The mission is expected to deliver the following results:

**i)** A critical analysis of the baseline situation of the various seed subsidy programs and systems implemented in the seed sector in the member states is carried out.

**ii)** The relevance and opportunity costs of implementing smart subsidies in the agricultural seed sector are analyzed.

**iii)** The major technical, managerial and financial constraints related to smart seed subsidies at the national and regional levels are analyzed.

**iv)** A technical repository describing the architectural option(s) and managerial recommendations and proven best practices for a smart and sustainable mechanism regarding public subsidies of seeds and seedlings including a simultaneous mechanism applicable to seeds and fertilizers in the countries of West Africa and the Sahel is proposed.

**v)** A policy brief developed for advocacy and awareness-raising of policy makers for more effective, efficient and sustainable seed subsidy mechanisms is developed (maximum 7 pages).

## D. METHODOLOGY AND STEPS OF THE MISSION

For the purposes of this mission, the methodology to be proposed shall be inclusive and participatory and shall consist of:

- **The scoping meeting**

A scoping meeting will be organized with CORAF, and an ad hoc technical committee set up for this purpose to share and harmonize the understanding of the Terms of Reference of the study and agree on an updated agenda and a roadmap for the conduct of the mission.

- **Literature review and secondary data analysis**

  - The literature review will include a review of scientific publications, relevant studies and reports of various similar missions,
  - Collection of national regulatory texts for agri-input subsidies,
  - Collection of information from the websites of state and non-state organizations that implement agri-input subsidy programs.

- **Consultation/dialogue meetings and primary data collection**

Primary data collection will combine several methods: individual interviews and meetings for exchange and dialogue with private seed actors, farm producers, representatives of government agencies, development partners, etc. Depending on the nature of the data and the particular context of the country and the COVID-19 pandemic situation, the consultant will combine the use of appropriate data collection tools (online survey, virtual or physical meeting). Some primary baseline data will be comprehensive and collected from all ECOWAS member states and other more detailed data will be collected from a sample of four selected countries combining the criteria of language (Anglophone/Francophone countries) and agro-ecology (Sahelian/subhumid).

- **Review and validation meetings of deliverables**

Meetings (virtual or physical) will be organized with CORAF, and an ad hoc technical committee set up for this purpose to review and validate the consultant's draft deliverables: diagnostic analysis, sustainable seed subsidy guidelines, policy brief, etc.

## E. REQUIRED QUALIFICATIONS AND MANDATES OF THE EXPERT TEAM

The team of consultants will consist of three (3) Lead Experts as follows:

- **Expert No. 1: Agroeconomist /Economist - Head of Mission**

He/she shall have a minimum university degree of Engineer/Master in Agribusiness Economics. He/she shall have a minimum of eight (8) years of experience in agricultural investment, agricultural policy analysis. He/she shall also have knowledge of the agri-input sector in West Africa and the Sahel. Knowledge of financial analysis would be an asset.

He/she will perform the following responsibilities/mandates:

- Serve as a point of contact with CORAF for the technical management of the mission,
- Ensure coordination of the activities of the team of consultants,
- Provide leadership in the analysis of seed subsidy mechanisms and in the development of technical guidelines for an efficient, smart, and sustainable subsidy,
- Coordinate the production of interim and final reports as well as the policy brief for advocacy.

He/she will work **30 man-days.**

- **Expert No. 2: Specialist in seed issues**

He/she shall have a minimum University degree of Engineer/Master in plant breeding, seed technology or seed policy, agronomy with a good knowledge of the seed sector at the regional level (actors, institutions, functioning and organization of the seed chain). He/she shall have at least six (6) years in seed sector development in West Africa and the Sahel. Experience in other regions would be an asset.

He/she will perform the following responsibilities/mandates:

- Establish the baseline situation of seed subsidy mechanisms in the countries of West Africa and the Sahel,
- Analyze the structure of major seed subsidy programs: design, priority targeting (crops, variety type, classes, beneficiaries, rates), volume, value, impact on the sector, prospects and risks, etc.,
- Define the conditions and key principles for efficient and sustainable subsidy of each link in the seed value chain,
- Participate in the production of interim and final reports as well as the policy brief for advocacy.

He/she will work **25 man/day**

- **Expert No. 3: Public Finance Specialist**

He/she shall have a minimum of a Master's degree in public finance. He/she must have a minimum of six (6) years of experience in public finance. He/she shall also be familiar with public budgeting, particularly program budgeting, with a good grasp of the fundamentals of public accounting and the ability to: (i) identify, assess and analyze risks related to cash flow and debt management, (ii) understand and find solutions to curb indebtedness, and, (iii) demonstrate the skills to understand the interactions between the different economic actors (local, communal/provincial, national, and with subsidized entities) as well as their role throughout the economy.

He/she will deliver the following responsibilities/mandates:

- Establish the baseline situation of the seed subsidy fund in the Member States,
- Study the institutional set-up of the seed grant administration bodies,

- Identify and analyze practical problems in the management of financial and accounting activities related to the public seed grant,
- Identify, assess, and analyze cash management and public debt risks related to seed grants,
- Propose principles for improvement to existing key processes in the public seed subsidy mechanism, including optimization of public delivery, debt risk management and sustainability.

He/she will work **25 man/day**

## F. EXPECTED DELIVERABLES

**1.** A detailed report including:
   a. Analysis of the baseline situation of seed subsidies in ECOWAS countries,
   b. A technical repository of good practices and guidelines for a smart and sustainable seed subsidy mechanism applicable to most countries in the sub-region.

**2.** A policy brief of up to seven (7) pages to be used for advocacy and awareness-raising of policy makers.

The draft versions of all deliverables will need to be validated by CORAF and the Task Force.

## G. DURATION AND PERIOD OF THE MISSION

The duration in terms of calendar days of the mission is a maximum of sixty (**60) days** and is expected to range from **June to July 2021.**

The consultant will work closely with the Expert in charge of the agri-input development at CORAF.