



FOUNDATION FOR PARTNERSHIP INITIATIVES IN THE NIGER DELTA

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## **TERMS OF REFERENCE**

Engagement of a consultant to support Implementation of  
Planned Activities for Sombreiro kapital Ltd/Gte in 2023

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## 1 PROJECT BACKGROUND

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PIND is a Nigerian non-profit Foundation established in 2010 with initial funding by Chevron Corporation to support a portfolio of socio-economic development programs for Nigeria's Niger Delta to improve the standards of living of communities in the region. PIND supports projects in collaboration with a diverse range of donor partners including bilateral and multilateral aid agencies, federal and state government agencies in Nigeria, private companies, and foundations. With an overarching goal of increasing income and employment in the region, the Foundation has two distinct but interrelated program areas, and enablers. They are:

- An **economic development program** focused on generating opportunities for pro-poor market development and employment generation.
- A **peace-building program** that strengthens conflict resolution mechanisms for enabling integrated peace and economic growth
- **The enablers:** PIND's program delivery is enabled by an integrated approach that encompasses capacity building, advocacy, communications, gender, and social inclusion.

PIND has been successful at implementing economic development and peacebuilding programs in the nine Niger Delta States since 2010. In the economic development program, access to Finance has been identified as a major binding constraint across all activity levels within the agricultural value chains in which PIND operates. Factors that are inimical to access exist on both the demand and supply side of the financial services market.

Sombreiro Kapital Ltd/Gte (SK) is the product of a decision reached by the PIND and the DFID Market Development Program for the Niger Delta (MADE) to incorporate an independent Special Purpose Vehicle (SPV) for innovations in smallholders Agricultural Value Chain Financing. The decision to set up SK was informed by a situational analysis commissioned by PIND and MADE in 2017 and led by Mark Rostal, a development finance expert from DAI, to identify sustainable solutions to the financing challenges faced by smallholder farmers and SMEs. Recommendations from the analysis indicated the need for the incorporation of an independent SPV which would be strategically positioned to utilize philanthropic and public resources to catalyze and leverage private-sector capital in pursuit of developmental results and financial returns across different agricultural value chains.

Subsequently, on July 27<sup>th</sup>, 2018, Sombreiro Kapital Ltd/Gte was incorporated as a company limited by guarantee, with an overarching purpose of improving access to finance for smallholder farmers within the Niger Delta. An initial take-off fund was provided by PIND Foundation to enable SK to commence operations. The company is expected to mobilize funds from other sources (in addition to the seed fund by PIND) and develop appropriate products to:

- Support partner financial institutions in the design and development of appropriate agricultural value chain financing products suitable for the target beneficiaries;
- Participate in a risk-sharing partnership with lenders (Input companies and financial institutions) aimed at unlocking credit for target beneficiaries;

- Build the capacity of partner financial institutions (including support for training and development of human resources) within the institutions; and
- Drive business and technical record-keeping habits amongst smallholder farmers

## 2 OBJECTIVES OF THIS ACTIVITY

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For the 2023 financial year, Sombreiro kapital Ltd/Gte plans to facilitate loans worth N100,000,000 to 100 smallholder farmers in the value chains of aquaculture, poultry, cocoa, oil palm, and cassava across the focal states of Delta, Edo, Bayelsa, Imo, and Ondo. This plan would be actualized through risk sharing with partner commercial banks who see commercial incentives in lending to smallholder farmers in the aforementioned priority sectors due to minimal credit risk .

To resource the institution's plans in 2023, Sombreiro kapital Ltd/Gte plans to hire a consultant who would amongst other things, identify guarantee-worthy farmer groups for linkage to financial institutions, determine portfolio at risk, monitor guaranteed loans ,engage market actors towards refining existing smallholder financing guarantee products and promote the economic sustainability of the institution.

## 3 SCOPE OF WORK

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The associate consultant will be expected to

- 1. Identify and recommend farmer groups comprising of 100 smallholder farmers farmers in the value chains of aquaculture, poultry, cocoa, oil palm, and cassava across the focal states of Delta, Edo, Bayelsa, Imo, and Ondo who would access loans worth N100,000,000**
  - I. Collaborate with market actors in PIND's market development project to identify credit-worthy farmer groups for loan support in line with existing pre-qualification criteria as contained in Sombreiro kapital's credit manual.
  - II. Share loan application checklist with eligible credit-worthy farmer groups
  - III. Ensure all pre-disbursement criteria are met by eligible farmer groups.
  - IV. Collate and submit received documents to partner commercial Banks for appraisal.
- 2. Grow the initial seed fund capital by N40,000,000**
  - I. Identify potential fund donors with intersecting mandate .
  - II. Prepare and submit funding proposals to potential donors for consideration.
  - III. Plan and actively participate in follow-up meetings with potential donors.
  - IV. Facilitate the signing of Memorandum of understanding between the institution's directors and designated signatories of the donor.

### 3. Improve SK's sustainability

- I. Participate actively in the engagement and onboarding activities of additional lending partners
- II. Ensure that SK's guarantee portfolio at risk does not exceed 5% in compliance with industry standards through regular field visits to farmer groups with performing and non-performing loans.

#### Activities and Timelines

The scope of work above is broken down to key activities and timeline set against them, with the total number of days required to deliver each:

Table A

S/N	Description of activities	No of days	Associated Deliverables (Codes)
T1.	Identify and recommend farmer groups comprising of 100 smallholder farmers across aquaculture, poultry, cocoa, oil palm, and cassava value chain sectors across the focal states of Delta, Edo, Bayelsa, Imo, and Ondo state who would access loans worth N100,000,000	120 days	D1
T2.	Grow the initial seed fund capital by N40,000,000	40days	D2
T3.	Improve SK's sustainability	80 days	D3

## 4 DELIVERABLES

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Deliverables stated in table B below are directly linked to specific tasks in the previous section.

Item		Due date
D1	Monthly progress report on the number of farmer groups identified for loan support A close-out report showing the identification of farmer groups comprising of 100 smallholder farmers across aquaculture, poultry, cocoa, oil palm, and cassava value chain sectors across the focal states of Delta, Edo, Bayelsa, Imo, and Ondo who would access loans worth N100,000,000	Fourth week of every month  2 <sup>nd</sup> week in May 2023
D2	Monthly report on the number of fund donors recommended to the principal consultant for engagement A close-out report which shows the contribution to the growth of the seed fund capital by N40,000,000	Fourth week of every month  1 <sup>st</sup> week in July 2023
D3	Monthly report on the progress on T3	Fourth week of every month

## 5 DURATION

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It is expected that a total of 240 working days spread over 12 months will be required to complete the assignment and achieve the deliverables. This is scheduled out in table A, however, the number of days per activity is not cast in stone, and can be utilized across the three key activities in as much as the total number of days for the entire assignment does not exceed 240 days. Any extension will require PIND's management approval.

## 6 COST

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Travels and associated costs (accommodation and per-diem) will be borne by PIND in line with its internal rates for travel. The consultant will also be entitled to a monthly stipend for phone calls capped at PIND's internal rate. All other administrative and project implementation costs will be borne by PIND including the provision of working tools such as Laptops etc.

It is expected that the consultant to implement the assignment will have the following expertise:

- At least five years of relevant professional experience with skills and competencies in financial and business development services, risk management ,financial product development, financial portfolio management, credit creation and administration, fund and investment management, trade and investment policy and research, and private sector development approaches in the international development community.
- Requisite skills and experience in carrying out the economic analysis and supporting agricultural value chain financing.
- Networking, financial products, and portfolio marketing
- Strong analytical ability
- Excellent report writing skills
- Excellent communications and negotiation skills
- Knowledge of market systems development approaches will be a strong advantage.

## 8 HOW TO APPLY

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Interested persons should submit Expression of interest to [procurement@pindfoundation.org](mailto:procurement@pindfoundation.org) not later than 1<sup>st</sup> February 2023. The proposal must address justification for participation, previous and current engagements/experience, organizational affiliation (if any), how skills gained will be used and any other information viewed by an applicant to be useful in helping PIND make a decision on participation. Please use “**SK Consultancy\_\_LastNameFirstName**” as the subject of your email.

**The proposal should outline the following:**

- Technical proposal – describing the method for completing each component of the assignment
- Financial Proposal (Professional Daily/Monthly fees)
- Proposed time frame required to complete each component of the assignment
- Consultant’s profile
- Capability statement including records of similar on-going and past similar assignments/projects, in Nigeria
- Minimum lead time for mobilization
- A work plan showing an indicative timeline for each part of the assignment in line with the assigned LoE.

**Please note:** The selected consultant will work from Warri, Delta State.

**In addition, these mandatory items MUST be submitted along application documents:**

- Means of personal identification
- CV of the individual consultant(s)
- Valid Tax clearance certificate
- Tax identification number
- Full physical contact address
- Bank reference letter addressed to Finance Manager, Foundation for PIND

**Non-Discriminatory Clause:**

PIND Foundation provides equal opportunity in employment and engagement for all persons, vendors, and contractors, and prohibits unlawful discrimination and harassment in all aspects of a contractual engagement or employment because of age, sex, gender, marital status, disability, nationality, race, religion or any fact

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