

ANNEX I



TERMS OF REFERENCE (TORs)

REQUEST FOR EXPRESSION OF INTEREST (EOI)

FOR

**CONSULTANCY (INDIVIDUAL) TO ANALYZE OPTIONS FOR EXPANDING
FERTILIZER FINANCE AND INVESTMENT ACROSS FERTILIZER REGIONAL
SUPPLY CHAINS IN THE EAC**

REFERENCE No. EAC/PSS/EOI/0037

**EAC SECRETARIAT
Arusha, Tanzania
May, 2023**

1.0 BACKGROUND

The agricultural sector is the backbone of the East African Community (EAC) Partner States and is central to economic growth, food security and nutrition, and poverty reduction in the region. The success of agricultural productivity relies substantially on agricultural inputs of which fertilizer is key. Consequently, developing sustainable fertilizer markets and increasing farmers' access to fertilizers could bolster agricultural productivity and improve livelihoods. The increased use of fertilizer can also contribute to reduced malnutrition, higher income from higher yields, and increased production and exports of strategic agricultural commodities. Improved fertilizer markets could also create opportunities for investment and production, contributing to economic development in the EAC Partner States.

EAC Partner States have been pursuing fertilizer subsector development through various initiatives, but challenges still remain. Recent experience with the COVID-19 pandemic and the on-going Russia-Ukraine war exposed the fragile nature of both global and regional food and inputs supply chains. The distribution and marketing challenges have notably been exacerbated.

The fertilizer subsector in the EAC region continues to have persistent gaps in the legal and regulatory framework, coupled with tariff and non-tariff barriers and uncoordinated regional supply chains. Although the region has rich mineral deposits that can be exploited for local manufacturing to enhance accessibility and affordability, EAC Partner States still rely heavily on imported fertilizers. A combination of all these factors have affected trade and the development of the fertilizer market.

Fertilizer stakeholders, including dealers, face financial and regulatory challenges associated with volatility in exchange rates and government interference in commodity pricing. Under the EAC Common External Tariff, EAC Partner States agreed to eliminate all taxes on fertilizer. However, in some cases, cross-border duties are still imposed. These taxes are passed on to farmers through increased fertilizer prices.

Fertilizer importation and production are capital-intensive and limited access to finance is a disincentive to invest in the fertilizer industry. Harmonization and enforcement of the appropriate fertilizer instruments is necessary to expand and promote opportunities in cross border trade, protect farmers, facilitate inter-regional trade, and reduce transaction costs. The EAC fertilizer policy was adopted by EAC Council of Ministers in 2022 to address some of the aforementioned challenges. The objectives of the policy include (i) promotion of local production of fertilizer and fertilizer supplements and (ii) provision of an enabling environment that fosters trade and private sector investment, inter and intra-state trade in fertilizers and fertilizer supplements.

2.0 EVIDENCE-BASED POLICY DIALOGUE ON EXPANDING FERTILIZER FINANCE AND INVESTMENT ACROSS FERTILIZER REGIONAL SUPPLY CHAINS IN THE EAC

The EAC Secretariat with the support of USAID Kenya & East Africa is implementing a project on Nutrition, Food Security and Agricultural Trade Facilitation. The overall goal of the project is to contribute to increased Food and Nutrition Security through improved policy environment, increased agricultural trade and competitiveness across the region. Under the project, the Secretariat is planning to conduct a rapid assessment designed to capture the

regional status of fertilizer in respect to: opportunities for finance and investments, upscaling manufacturing capacity, and trade facilitation measures.

To address the prevailing challenges, the EAC Secretariat is planning to conduct a rapid assessment designed to capture the regional status of fertilizer in respect to: opportunities for finance and investments, upscaling manufacturing capacity, and trade facilitation measures required for increased availability, accessibility and affordability of fertilizers.

Subsequently, the Secretariat will convene a high-level advocacy forum of state and non-state actors to prioritize quick pragmatic actions to be considered by Partner States and other relevant actors for quick wins in the short run, awaiting comprehensive review and development of the sector as guided by the EAC Fertilizer Policy.

3.0 SCOPE OF THE ASSIGNMENT/ WORK

In order to undertake the aforementioned rapid assessment, EAC Secretariat wishes to engage a consultant who is well versed with fertilizer sub-sector issues in the region. The consultant will coordinate a multi-disciplinary team of experts from the EAC Partner States in conducting a rapid assessment, analyzing and consolidating emerging priority issues. The rapid assessment exercise will be followed by a write-shop involving experts from EAC Partner States, the consultant and EAC Secretariat to consolidate report of the assessment. The main output from the assessment will be a fertilizer regional status report and regional manufacturing capacity document with game changing policy recommendations that will inform and catalyze deliberations at the high-level forum. The consultant will also be expected to provide technical backstopping /facilitation in convening of the high-level forum.

4.0 TERMS OF REFERENCE

The consultant will be expected

- a) Provide technical leadership to a multi-disciplinary team of experts from the EAC Partner States in conducting rapid assessment on opportunities for finance and investments, manufacturing capacity and trade facilitation in the EAC Partner States. This will include development of assessment methodology and data collection tools.
- b) Support the multi-disciplinary team of experts in analysis and compilation of the assessment report.
- c) Support the EAC Secretariat to convene a high-level forum of key stakeholders to validate the assessment findings and develop a policy action plan to operationalize the recommendations to increase availability, accessibility and affordability of fertilizers.

5.0 DELIVERABLES/OUTPUTS

- a) An inception report for the assignment within 10 days upon signing the contract.
- b) Assessment report highlighting the regional status of fertilizer in respect to: opportunities for finance and investments, manufacturing capacity, and trade facilitation measures required for increased availability, accessibility and affordability of fertilizers.

- c) Report of the high-level forum containing outcomes and priority recommendations on expanding fertilizer finance and investment across fertilizer regional supply chains in the EAC.

6.0 REQUIRED COMPETENCES AND EXPERIENCE

The consultant is expected to have the following technical capabilities, experiences and competencies:

- i. An individual consultant with minimum Masters of Science degree agricultural sciences or related fields.
- ii. At least seven years outstanding experience in agricultural development matters and cross-cutting expertise in the area of farm inputs including fertilizers.
- iii. Familiarity with the fertilizer sub-sector policy, regulatory, trade and investment environment at the national and regional levels.
- iv. Ability to present complex issues in easy-to-understanding language and format;
- v. Excellent facilitation, communication, presentation, writing and reporting skills.

7.0 DURATION

The assignment will be conducted within a period of 4 (four) months starting from **July 1st 2023 to October 30th 2023**.

How to Apply

Interested individuals who meet the qualification criteria may submit their Expression of Interest with all the necessary documents stating the relevant qualifications, general and specific experience in the field of the assignment in the course of the 7 (seven) years, description of similar assignments/similar projects undertaken, availability of appropriate competencies and skills etc.

Interested consultants may obtain further information at the address below during office hours 08:00hrs – 16:00hrs (East African Time). No liability will be accepted for loss or late delivery and late submissions will be rejected.

Expressions of interest must be delivered to the address below by **14th June 2023**, at **11:00hrs** Arusha Local time, labelled Consultancy No EAC/PSS/EOI/0037 **“EXPRESSION OF INTEREST FOR CONSULTANCY (INDIVIDUAL) TO ANALYZE OPTIONS FOR EXPANDING FERTILIZER FINANCE AND INVESTMENT ACROSS FERTILIZER REGIONAL SUPPLY CHAINS IN THE EAC”**.

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ATTENTION; Procurement Unit**

For more information or clarification, please contact us on the address above or through e-mail: eacprocurement@eachq.org E-mail submissions will be accepted.