

Invitation to tender: CONSULTANCY SERVICES TO CONDUCT AN AGRIBUSINESS CASE FEASIBILITY STUDY IN THE SONGWE RIVER BASIN DEVELOPMENT PROGRAMME, BOTH IN THE DESIGNATED AREAS OF MALAWI AND TANZANIA.

I am pleased to inform you that your organisation is invited to take part in a tender procedure for the above contract.

The deadline for receipt of tenders is: **5 April 2019 12:00 GMT.**

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Stockholm International Water Institute

SIWI is a knowledge organisation using its expertise and convening power to strengthen water governance for a just, prosperous and sustainable future. SIWI arranges the annual World Water Week in Stockholm.

SIWI is duly constituted as a foundation in Sweden.

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1. Africa-EU Water Partnership Programme and the Songwe River Basin Development Programme

The Africa-EU Water Partnership Project (AEWPP) has been jointly initiated by EU, Sweden and the African Ministerial Council on Water (AMCOW). The AEWPP seeks to make more public and private capital accessible for water-related infrastructure projects in Africa and to encourage and support African governments to invest in water governance through capacity building related to infrastructure finance. Project implementation is supported by the Stockholm International Water Institute (SIWI) via the SIWI African Regional Centre in Pretoria.

Through the AEWPP, SIWI is supporting the Songwe River Basin Commission (SRBC) in establishing the key agricultural aspects and to recommend steps to be taken relevant to the sustainable development

and operations of feasible agriculture operations within the Songwe River Basin Development Programme (SRBDP).

Background

The Songwe River Basin Development Programme (SRBDP) is jointly executed by the Governments of Malawi and Tanzania. The programme recognises several challenges which would be addressed through its execution. These include, among others, high poverty levels, poor access to electricity, poor access to clean water supply, unstable riverbanks, shifting river course and as a result, seasonal shifting borders and poor levels of development.

1.1 The Key Project Components

- The Key Project Components entails a multi-purpose dam and hydropower plant with a capacity to produce 180.2MW (for only the Lower Songwe Dam and Hydropower Plant”);
- There are two irrigation schemes with a total area of 6,200 hectares:
LSRM: Lower Songwe River Malawi Irrigation and Drainage scheme = 3,050Ha
LSRT: Lower Songwe River Tanzania Irrigation and Drainage scheme = 3,150Ha
- There are two Water Supply Projects to serve 450,000 people in the Songwe River Basin whereby the Kasumulu (Tanzania) and Songwe (Malawi) Small Towns Water Supply and downstream communities will serve around 190,000 people and the Rural Water Supply Project (in the upper catchment of the Songwe River Basin) will serve around 260,000 people; and
- Other Projects are: Rural Electrification Project to benefit around 120,000 people in 22,200 households and fisheries and Tourism Development Projects.

1.2 The following are some of the expected outcomes upon successful execution of the programme:

- Increased hydropower production to facilitate the development of small and medium industries (SMI) and improve energy source in the basin, and electricity grids in Malawi and Tanzania
- Increase in food production through irrigated agriculture
- Increased access to water supply and sanitation in the basin
- Water conservation/storage to improve water access during droughts
- Overall socio-economic improvement of the Songwe River Basin inhabitants
- Mitigation of floods

- Small-scale fisheries activities to enhance protein intake and provide an alternative source of income to the inhabitants
- Sustainable management of the Songwe River Basin
- Improved management information system through water resources monitoring, development and management
- Improved cooperation in transboundary WRM through a formal framework
- Enhanced cooperation between Malawi and Tanzania

- **1.3 Lower Songwe River Tanzania Irrigation and Drainage Scheme**

The LSRT Irrigation and Drainage scheme is located in the lower part of the SRB on the left bank of the Songwe River and situated between the Songwe River and the Kiwira River with its upper boundary near the town of Kasumulu just downstream of the Kasumulu Bridge. LSRT, as well as its related project in Malawi, requires the construction of the Lower Songwe Dam for its water supply. The net irrigation area of LSRT is 3,150 ha. Extensive soil and topographic surveys were carried out under the project to provide information to determine the net irrigation area and the layout of the canal and drain network.

The area planned for irrigation is currently a rain fed cropping area with the majority of the land under rice cultivation. The rice in this region is a traditional variety which is popular and fetches a good price. This would continue to be the main crop in the wet season, with irrigation being supplemental to the rainfall, and a good portion of it (60%) in the dry season which will need constant irrigation. The other 40% will be typical upland crops of maize, groundnuts, cassava and market vegetables.

Total crop water demand varies from a peak of 0.79 l/s/ha in September to 0.0 in April. With feeder, main and secondary canal efficiencies in the 90-95% range and tertiary, field and farm efficiencies between 75-85%, the peak irrigation requirement is 7 m³/sec at the feeder canal intake.

Basic characteristics of the LSRT scheme are:

- a net irrigated area of 3,150 ha
- a 21 km lined Feeder Canal with a maximum conveyance capacity of 7 m³/s;
- a 15 km lined Main Canal;
- 19 lined Secondary Canals with total length 40.7 km approximately,
- 84 earthen Tertiary Canals with total length 66.2 km approximately,
- a Main Drain, 20.4 km long,
- 19 Secondary Drains with total length 48.95 km approximately,
- 68 Tertiary Drains with total length 52.126 km approximately,

- A network of Type I (main) roads of 36.10 km and,
- A network of Type II (services) roads with total approximate length of 84.7 km
- The farmers currently farming this land are the same people that will benefit from the new irrigation and drainage scheme. Certain farmers land parcels will be affected because of the route of the new irrigation channel and it will be necessary to demarcate the land parcels or reallocate farming land to those farmers.

The overall construction costs, based on an earlier technical study, for the LSRT Project are estimated at USD 49.82m including 5% technical and 5% financial contingencies.

- **1.4 Lower Songwe River Malawi Irrigation and Drainage Scheme**

The LSRM Irrigation and Drainage scheme is located in the lower part of the SRB on the right bank of the Songwe River and situated between the Songwe River and the main highway from the town of Songwe toward Karonga. LSRM, as well as its related project in Tanzania, requires the construction of the Lower Songwe Dam for its water supply. The net irrigation area of LSRM is 3,050 ha. Extensive soil and topographic surveys were carried out under the project to provide information to determine the net irrigation area and the layout of the canal and drain network.

The area planned for irrigation is currently a rain fed cropping area with the majority of the land under rice cultivation. The rice in this region is a traditional variety which is popular and fetches a good price. This would continue to be the main crop in the wet season, with irrigation being supplemental to the rainfall, and a good portion of it (60%) in the dry season which will need constant irrigation. The other 40% will be typical upland crops of maize, groundnuts, cassava and market vegetables.

Total crop water demand varies from a peak of 0.79 l/s/ha in September to 0.0 in April. With feeder, main and secondary canal efficiencies in the 90-95% range and tertiary, field and farm efficiencies between 75-85%, the peak irrigation requirement is 7 m³/sec at the feeder canal intake.

Basic characteristics of the LSRM scheme are:

- a net irrigated area of 3,050 ha
- a 24.4 km line feeder canal with a maximum conveyance capacity of 7m³/s;
- a 14.750 km lined Main canal;
- 17 lined secondary canals with total length 35.436 km,

- 85 earthen tertiary canals with total length 78.430 km,
- 3 main drains (Main drain, Main drain left and Kyungu River) of 23.905 km long
- 17 secondary drains with total length 46.494 km,
- 68 tertiary drains with total length 68 km,
- A network of Type I (main) roads of 35 km and,
- A network of Type II (services) roads with total approximate length of 54 km
- The farmers currently farming this land are the same people that will benefit from the new irrigation and drainage scheme. Certain farmers land parcels will be affected because of the route of the new irrigation channel and it will be necessary to demarcate the land parcels or reallocate farming land to those farmers

The overall construction costs, based on an earlier technical study, for the Project are estimated to be USD 49.18m including 5% technical and 5% financial contingencies.

2. Requirements on the tenderer

The main objective of this assignment is to develop a business case that will support the planning for the long-term sustainability of the LSRM and the LSRT Irrigation Schemes, and promote commercially oriented agricultural activity. The business case also needs to amplify the critical aspects that need to be addressed in tandem with the development of the SRBDP feasibility process.

To this purpose, SIWI seeks to appoint consultancy services to support the SRBC in developing a business case that will support the planning for the long-term sustainability of the LSRM and the LSRT.

SIWI seeks to hire services of a consulting company to develop the business case also with the view of identifying the critical aspects that need to be addressed in tandem with the development of the SRBDP feasibility process.

Only firms/organisations may apply for this position. The firm (the 'Consultant firm') will set up a team of experts that will be assigned to the Project, according to the following sections – Expertise of the team. Only the assigned expert's CV should be submitted as part of this application and are not substitutable.

The proposed project will be implemented in two consecutive phases, according to a timeline indicated in *section 3*.

Specific targeted activities include:

- The Consultant will review the available documents also taking note of similar projects developed in the region and elsewhere in the Africa and the world ensuring that the SRBC are made aware of and can consider best practises.
- Project information should include at least the institutional models, ownership of the irrigation infrastructure and the funding models.
- The base line economic cost benefit analysis, considering capital costs, operational costs and economic value calculations (e.g. EIRR @20% accuracy) is required to approach relevant funders to assist with the sustainable implementation of the projects
- Test the probability to commercialise the projects, to an extend that the farmers individually and collectively can develop economically feasible businesses? Does the SRBC have an opportunity to facilitate and support the empowerment of the farmers to a higher than subsistence level?

Phase 1

The scoping exercise should consider, comment and recommend at least regarding the following important aspects:

- Food security and the agriculture economy in the country and this sub region
- Soil testing outcomes confirming the optimal economic choice of crops and cropping patterns noting the price elasticity of selected agriculture products
- Suggested institutional structuring to ensure the sustainable development of the project e.g. credit worthy cooperative that can lend to cover capital- and operational costs:
 - o Water: usage, costs and collection of tariffs
- Electricity: usage, costs and collection of tariffs
- Environmental and social aspects
- Optimal farming techniques e.g. precision collective planning and execution or Individual farmers competing
- Best practise irrigation models from the region
- Develop an economic cost benefit analysis proving the nett economic benefit to the communities and the sub regions
- Baseline report summarising the most important aspects to be taken into account in the proposed business plan to be developed in phase two.

The budgeted allowance this part of the assignment is 15 working days. It is expected that the workshop will take place in July 2019.

Phase 2

This more detailed phase will have to deal with the potential commercialisation of the irrigated agriculture projects, including at least the following aspects:

- The current and potential marketing processes, transport logistics including warehousing in the sub region
- Current agro-processing facilities
- Potential formal off-takers of the suggested crops, in the sub-region and the greater Tanzania and Malawi regions
- The availability and suitability of an individual farmers land as potential security for lenders
- The suggested procurement model or models dealing with the ownership, construction, operation and maintenance of the:
 - o Irrigation assets and equipment
 - o Canals (secondary and tertiary)
- Identification and listing of interested donors, development finance institutions and possibly
 - o private banks that may be interested to support this project during its development and
 - o operational phases. Contact details and short summary of these institution specific interest in
 - o the project is required
- High level risk analysis and mitigating alternatives
- Integrated business plan focussing on the major risks and opportunities that will support the development of feasible irrigated agriculture projects within Malawi and Tanzania

The budgeted allowance this part of the assignment is 15 working days. It is expected that the workshop will take place in September 2019.

3. Requirements on the supplies/services

The Consultant will be responsible for delivering the outcomes and scope of work listed above, according to the following *time schedule*.

| Item | Deliverables | Time schedule |
|---|------------------|---|
| 1 | Inception report | Will be submitted two (2) weeks after Inception Meeting |
| 10 working days for SIWI and SRBC to review and comment | | |

| | | |
|--|-----------------------------------|---|
| 2 | Phase 1 - Pre-final business case | Will be submitted four (4) months after the inception of the order to commence. |
| Validation Workshop 1 - SIWI and SRBC will review and comment after the planned workshop | | |
| 3 | Phase 2 - Final business case | Will be submitted five (5) months after the reception of the order to commence |
| Validation Workshop 2 - SIWI and SRBC will review and comment after the planned workshop | | |

4. Methodology and Level of Effort

The Consultant will present a proposal that will include a methodology, an estimation of work volume per activity and a work schedule. SIWI will review and accept the proposal prior to the signing of the contract. The accepted schedule will be incorporated in the consultant's contract.

The assignment is expected to start the 1st May 2019, with a final report expected 6 months from the start of the assignment.

Level of effort - Part time for a maximum of [30] working days.

5. Experience

SIWI requires a professional Agricultural Economist consultant that is an expert in Agribusiness development, a strategic thinker, a problem-solver and an adviser, who is actively participating in the agricultural community in Southern- or Eastern Africa. The consultant's clients should include farmers, growers, landowners, conservation organisations, agriculture marketing businesses and or retail distributors.

For the selection of the Consultant, priority will be given to those with proven experience in the relevant African region and familiarity with development partners and international organization working procedures.

The above expertise will be complemented with a financing specialist provided by SIWI. This finance specialist will be responsible to monitor and manage the project progress according to the assigned objectives.

Award criteria

The contract will be awarded based on the following criteria:

The award criteria, the points available and minimum scores which must be achieved are listed below. No other award criteria, sub-criteria or weightings shall be used by the evaluation committee. Any tender not achieving the minimum points score indicated below for each sub criterion shall be eliminated and not evaluated for price.

| Award criteria | Weighting % | Maximum available points | Minimum points which must be achieved |
|--|-------------|--------------------------|---------------------------------------|
| Approach and methodology | 40% | 40 | 20 |
| Delivery of services (the tenderers' expertise) | 40% | 40 | 20 |
| Management of the service (the tenderer's capability to deliver the tender expected outcomes on time and with the quality requested). | 20% | 20 | 10 |

Each evaluation committee member shall score each tender out of the maximum points available for each of the three (3) sub criterion. The total score to be awarded to each tenderer for each sub criterion shall be the average score of the points of all the members, calculated to two decimal places. A check shall then be made if the tenderer has met the minimum score required for each sub criterion. If this has not been achieved, the tenderer shall be eliminated at this stage.

Where the minimum score has been achieved in each sub criterion, the total points shall then be converted to the weighting percentage for the three criteria mentioned above (Approach and methodology: 40%, Delivery of services: 40% and Management of services: 20%). The final score out of 100% shall be given to two decimal places

The contract will be awarded to the tender offering the best value for money, which will be the one with the best quality-price ratio. The quality/price ratio ("value for money") will be calculated by allocating a mark to each tender, applying the following formula:

Total number of points (The final score out of 100 as per section 8 Award criteria) x 100 000 / Total price (financial value of the tender – excluding travel costs).

The resulting mark gives an indication of the quality of the services offered in relation to their price. The contract will be awarded to the tender, which achieves the highest mark (i.e. the most cost effective).

Tendering

SIWI must have received the tender by **05 April 2019**. All interested parties are to submit, via email an expression of interest to submit a proposal by **Friday, 22nd March**.

The tender **must** contain the following information:

- A description of your organisation;
- A description of the supplies/services offered and methodology;
- Daily Rate (net of VAT), and payment terms;
- Travel budget
- Estimated delivery time;
- Confirmation that the terms of the Draft agreement are acceptable;
- Name and contact information of point of contact;

The tender must be submitted to the following email addresses:

ziyanda.mpakama@siwi.org and andre.kruger@siwi.org

The deadline to receive tender proposals is **2019-04-05 12:00 GMT**.

The subject of the email should be CONSULTANCY SERVICES TO CONDUCT AN AGRICULTURE FEASIBILITY STUDY AND TO DEVELOP A BUSINESS PLAN IN THE SONGWE RIVER BASIN DEVELOPMENT PROGRAMME, BOTH IN THE DESIGNATED AREAS OF MALAWI AND TANZANIA

Processing of personal data

SIWI will process personal data included in tender documents and communications. For information about SIWI's processing of personal data, please use the following link:

[Processing of personal data](#)

We look forward to receiving your tender.

Yours sincerely

A handwritten signature in black ink, appearing to be "Anton Earle". The signature is fluid and cursive, with a large initial "A" and a long horizontal stroke extending to the right.

Anton Earle
Director SIWI Africa Regional Centre