**Annex A –** **ITT: TENDER # FY2025/002/HSB**

**SCOPE OF WORK- BUSINESS DEVELOPMENT SUPPORT TO PRIVATE SECTOR**

**SUBJECT:** **STRENGTHENING A RURAL RETAIL NETWORKS, SENSITISATION AND PROMOTIONS OF HEMATIC STORAGE BAGS (HSB) SALES TO 1500 SMALL HOLDER FARMERS IN BLUE NILE REGION.**

**SOW Objective**: **To** **support importers/distributors of Hematic Storage Bags (HSBs) to strengthen retail agents and promote adoption of Hematic storage bags by small holder farmers in Blue Nile Region**

**Key activities: identification and training of HSB retail agents, sensitization of farmers, promotional activities and sale of HSBs at a discounted price to farmers.**

**Targeted localities**: Damazine, Roseries and Kurmuk Provinces in Blue Nile Region

1. **Introduction:**

Blue Nile Region depends largely on agricultural production for food security and livelihoods. However, the long period of insecurity coupled with poor and less developed functioning of the market systems, low farmer capacities, experience of climate related shocks and poor infrastructure, continue to exacerbate poor agricultural production, hence driving households to experience food insecurity. The situation is further worsened by the limited access to technical skills training, climate-smart improved agricultural inputs, financial services, and innovations. While the big and medium sized farmers have starting to benefit from various irrigation schemes, private financial services and have ability to access and use improved inputs and agricultural equipment, Smallholder farmers are left behind and marginalized. The high dependency of smallholders on agriculture, together with the market marginalization has increased smallholder farmers vulnerability to socio-economic and environmental shocks, which has directly impacted on their household livelihoods and food security.

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:**

With funding from the Swedish International Development Agency (SIDA), Mercy Corps in partnership with Adventist Development and Relief Agency (ADRA) is launching the Strengthening Agricultural Markets and Food Security (SAFE II) programme running from November 2023 to September 2025. The programme aims to increase climate resilient yields, champion natural resource management practices, and improve market linkages for 4700 smallholder farmer households, as well as contributing to gender equality and empowerment of women and girls in smallholder agricultural systems. Grounded in an MSD approach, the programme embeds resilience concepts to ensure cyclical shocks and stresses do not reverse development gains and that market actors and households can cope and adapt.

This project is not implemented through an approach which is based on buying and distributing goods and services to its beneficiaries. It is being implemented through an approach which seeks to improve the way the agribusiness companies and institutions in the agricultural value chain market operate and engage with their customers to ensure farmers are better served.

This approach aims to support these agribusiness companies and institutions which buy products from farmers or provide goods services to farmers to enable them expand their outreach to farmers and adapt the way they work with farmers so that more farmers receive better services. In doing this, this program will facilitate and strengthen long term development of the agricultural market systems, making them more resilient, which will bring more benefit to all parties involved in the system.

The program will partner with private agribusiness companies (those selling seeds, and storage bags to farmers, buying produce from farmers), financial institutions like Banks and microfinance institutions, as well as government ministries, departments and local leaders which make the rules and norms that create an environment to facilitate interaction of companies and farmers.

Specifically, the project aims to achieve the following outcome objectives:

1. **Outcome Objective 1: Inclusive, efficient & productive markets**
2. **Outcome Objective 2: Healthy & fertile Ecosystems**
3. **Outcome Objective 3: Gender Equitable communities & Markets**
4. **Outcome Objective 4: Renewable energy & water resources.**
5. **Hematic storage bags market analysis**

Blue Nile Region depend largely on agricultural production for household food security and livelihoods. Farmers normally either sell off the crops soon after harvest or stored it for months to meet family consumption needs or until prices increase during the period of low supply.

It is estimated that in Sudan, smallholder farmers lose up to a third of the food they produce because of inadequate storage systems. Post-harvest losses reduce incomes for farmers, exacerbate food insecurity and malnutrition. Additionally, this reflects a loss for the farmers given the current expensive inputs used in production. Agricultural Inputs such as land, water, farm inputs and energy, are all used to produce food that is not consumed or sold.

Hermetic Storage Bags (HSBs) are a simple solution that can be used to improve the shelf life of produce in storage, maintain produce quality and improve the income of farmers since the harvest can be sold at a time when prices have appreciated. HSBs were introduced in some states in Sudan including (Gedaref and White Nile states) by humanitarian agencies. ADRA Introduced HSBs in Blue Nile Region and is promoting them among smallholder farmers though marketing campaigns, demonstrations and last-mile sales agent networks, but this has covered only a few communities and about 9,000 farmers in Blue Nile region. It’s therefore, prudent to strengthen the last-mile agents distribution networks to ensure more farmers can easily access the HSBs at village level.

The introduction of these bags in Sudan has been led by private sector (banks, microfinance, and companies), WFP and ADRA with a view of increasing market-led demand among farmers. Though ADRA established market-led demand sales of HSBs in Blue Nile region, the marketing system still requires strengthening in some areas like Kurmuk which previously, was not targeted with market-led HSB promotions, hence present a potential. Farmers in these provinces are virtually not completely aware of this technology and how it can save them from harvest losses and increase their incomes, the very reason ADRA would like to strengthen this approach in most provinces especially including the Kurmuk in Blue Nile Region.

1. **Why is this a good opportunity for HSB supply companies**

This activity aims at increasing adoption of hematic storage bags among smallholder farmers. This means strengthening and improving marketing prospects for companies which sell this product. ADRA will support the partner company(ies) to strengthen innovative promotional strategies including those clearly targeting women to expand/increase and to be able to expand to either new areas or to capture a new customer base.

ADRA through SAFE program, expect that, this support to HSB companies will increase demand in rural areas for the HSBs, increase customer base and ultimately increase sales, profitability, and market share. ADRA is also keen to ensure that this support will improve efficiency of HSB sales networks in rural areas and drive down costs of operations, lower prices, ultimately stimulate more demand and sales.

1. **Outputs of activities to be carried out by the company which sells HSBs**

The company which will partner with ADRA to expand and strengthen the market-led HSB wholesale and retail network, is expected to achieve the following outputs. *Note: companies can propose additional outputs which greatly contribute to the objective of this SOW. During the evaluation of bids, ADRA will review the additional outputs but reserves the right to accept or reject them.*

* + 1. 3 Locality level HSB distributors and 29 village-level hematic bag retail points established (per village) within the 1st month of engagement
  1. 3 locality level wholesalers and 29 rural hematic bag retail points established.
  2. 3 locality level wholesalers and 29 rural hematic bag retailers trained on promotion and appropriate use and demonstration of HSBs to farmers.
  3. 4 locality level distributers and 29 rural hematic bag retailers supported and strengthened to continue selling HSBs through subsidized HSBs. ADRA will subsidize all the stock orders of each retailer by 65% and the beneficiaries will pay 33%, while the company will contribute 2% of the full cost of storage bag.
     1. Farmers in the 3 localities and 29 villages sensitized on how to use hematic storage bags.
  4. 29 A-1 size HSB posters printed and distributed to all HSB distributors and retailers by 1st month of engagement. The posters should have information on advantages of Hematic Storage Bags and how they can be appropriately used.
  5. 1500 A3 sheet double sided black and white posters printed and distributed to HSB customers within 2months of engagement. The posters should have information to guide farmers on how to use HSB printed and given to each farmer who buys HSBs at locality level and village-level
  6. A clear female centered marketing /sales strategy targeting women is developed and incorporated in ongoing sales and promotional activities.
  7. 29 village-level roadside promotions (demonstrations and sanitization sessions) carried out to promote use of Hematic Storage Bags, done concurrently with sale of bags, where applicable. These should be linked with and support the established 29 sales points in the villages.
  8. 3 interactive monthly radio talk-shows shall be held to promote adoption and use of Hematic storage bags by smallholder farmers within engagement period.
  9. 60 radio adverts (once a day for 2 months) to promote HSB among farmers in BNR and community radios.
     1. Up to 6,000 hematic storage bags sold to 1,500 smallholder farmers at a subsidized price of 65%. This should be done through the retail agents established to strengthen their businesses. Sales will be tracked through a template to be provided by ADRA.

The target is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **State** | **Province** | **Target beneficiaries** | **Bags to be sold** |
| Blue Nile Region | Roseries | 600 | 2,400 bags |
| Damazine | 500 | 2,000 bags |
| Kurmuk | 400 | 1,600 bags |
| **Totals** | **5 localities** | **1,500** | **6,000 bags** |

1. **Support from ADRA to support the company to meet the above outputs:**

To facilitate the listed activities, ADRA will:

1. Meet up to 50% of the cost of the budget for expanding the rural retail network and promotions/sensitizations (outputs 1 and 2 above) while the company is expected to commit at least 50% of the cost of activity 1 and 2 above. Companies that contribute more than 50% stand a higher chance of being considered for partnership.
2. ADRA will pay 65% of the retail price for each hematic bag sold to farmers with the remaining 33% being paid by farmers and 2% contributed by the company for the first four bags that the first 1,500 farmers will buy. Any HSB bought after the subsidized 4, will be at 100% full price. Smallholders are therefore encouraged to buy as many as one can.
3. ADRA will pay a subsidy for the first HSB stock ordered by retailers and wholesalers to a percentage not exceeding 65% of the cost.
4. Directly oversee the sale of all HSBs at subsidized and full price.
5. Provide the forms which ADRA deems necessary for recording progress and sales.
6. Conduct routine field monitoring of activities and advise when deemed necessary especially on utilization of bags or when requested by the company.
7. **Condition of supply**

The supply of Hematic bags above will be done on a cost-share basis. Smallholder farmers will receive 65% discount from ADRA and 2% from the company, while small holder farmers will contribute 33% of the total value of hematic storage bags.

1. Register all farmers who buy the storage bags at the discounted or full price using a template provided by SAFE project.
2. Ensure that Sales agents collect the (33%) contribution from farmers in coordination with the company and deposit in the company designated account.
3. The Company will at the end of an agreed period, send an invoice to ADRA to claim the 65% discounted amount for actual bags sold to targeted farmers. The invoice shall be accompanied by clearly signed distribution lists. ADRA will not provide advance payment for bags.
4. Provide a price list for all the selected sizes of bags available in their supply like 25kg, 50kg, 90kg and 100 kg bags.
5. Transport and deliver bags to the established sales points and locations where sales promotions will take place in the communities.
6. Ensure documentation of all activities (sales promotion, sales on discounts, etc.) using the templates that will be provided by ADRA. Prepare a final report for the engagement.
7. **Eligibility criteria**

Companies to be selected must fulfill the following criteria:

1. A registered legal business licensed to carry out commercial activities in Sudan
2. An HSB manufacturer, importer, or market distributor with at least 2 years.
3. Previous experience with ADRA on a similar activity is a strong advantage.
4. Must have been operating in Sudan for at least two years.
5. Evidence of already established and existing or links with sales networks preferably in rural areas and in the targeted provinces experience will be a strong advantage.
6. Willing to invest to expand their business supply networks to various ADRA locations by at least 30% excluding the cost of subsidized HSBs
7. Have skilled marketeers and business expansion staff who will directly implement activities in close collaboration with wholesalers and retailers.
8. Activity completion timeframe.
9. Submitted application with fully requested information and clearly explaining how the above listed output will be archived.
10. Completed bid applications should be submitted not later than **11the April 2025.**

**Key tasks and deliverables of the company**

|  |  |  |  |
| --- | --- | --- | --- |
| **Tasks** | **Target** | **Timeline** | **Means of verification** |
| 1. Establish and advertise sales networks like distribution points, retail shops and agents in Blue Nile Region to support storage bags sales and marketing. | -3 main bags shop in Rosaries and Damazin, Kurmuk  -29 bags sales/retail agents established |  | Contract/agreement with each sales agent /retailer in the identified areas. |
| 1. conduct storage bags sales promotion to strengthen adoption among small holder farmers in Blue Nile. These could include the following: | 29 villages reached  29 sales agents reached |  | List of villages, agents and activity report. |
| 1. Radio talk shows on the benefits of storage bags | At least 3 radio talk shows of 1 hour each |  | Invoice from the radio station. An audio recording of the show. |
| 1. Radio adverts promoting the company, its storage bags sales networks, and products | (60 adverts). At least 1 advertisement of one minute per day every for 2 months in each |  | Invoice from the radio station. An audio recording of advert |
| 1. Where possible, Van sales during market days with the identified retailers and agents | At least 2 van sales days per province |  | Photograph of each van sales event. |
| 1. Where possible, road-side storage bags promotion campaigns and sales in urban centers | 1 road-side promotional campaign and sales per province |  | Photograph of each road-side promotion campaign |
| 1. Printing and distribution of agriculture extension brochures and posters | 1,500 brochures |  | A copy of each brochure and poster |
| 1. Plan and conduct storage bags sales at discounted price | 1,500 smallholder farmers buy storage bags |  | Signed sales forms |