



Ministry of Natural Resources & Tourism (MNRT), P. O. BOX 1351 – 40472 Dodoma
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Call for Proposals for

Fund Management and Mentoring Services in Community Level Forestry Related Businesses

Project number and title	P34809P001 / Forestry and Value Chains Development Programme (FORVAC)
1. Operational Area	FORVAC cluster areas: Tanga (Handeni district, villages), Ruvuma (Songea district, villages), Lindi (Liwale district, villages)
2. Duration	Approximately July 2020 – January 2021 (six months from the starting date)
3. Background	<p>The Forestry and Value Chains Development Programme (FORVAC) is a 4-year (7/2018-6/2022) Programme funded by the Governments of Tanzania and Finland. The implementing agency of the programme is the Forest and Beekeeping Division (FBD) of the Ministry for Natural Resources and Tourism (MNRT), in close cooperation with Tanzania Forest Service (TFS) and the President's Office Regional Administration and Local Government (PO-RALG). FORVAC is working in three different cluster areas; Tanga, Handeni and Lindi.</p> <p>Forestry and Value Chains Development (FORVAC) aims to contribute in increasing economic, social and environmental benefits from forests and woodlands while reducing deforestation. The expected outcome of FORVAC is <i>"Improved forest-based income, livelihoods and environmental benefits"</i>. The outcome will be achieved through the following outputs:</p> <p>Output 1: Improved value chains and increased private sector involvement in the forest sector. <i>Key interventions under Output 1:</i></p> <p><i>1.1 Establishment and Mobilization of Village Land Forest Reserves (VLFR); under this category (VLFR) is a starting point for CBFM and related value chains development in the context of FORVAC. The VLFR establishment also covers land use planning to secure ownership over forest products, such as timber, NWFP/NTFP and charcoal, for local communities.</i></p> <p><i>1.2 Support to value chains development</i></p> <p>Output 2: Stakeholder capacity to implement and promote forestry value chain development enhanced.</p> <p>Output 3. Functional extension, communication, monitoring systems; and Management Information System (MIS) in place.</p> <p>Output 4. Supportive legal and policy frameworks to forest value chain and sustainable forest management developed.</p> <p>FORVAC is based on work started by two projects, LIMAS and NFBKPII, both of which ended in 2016. CBFM (community-based forest management) has been launched in some villages in the Districts listed above, and several villages have or are ready to engage in 2nd generation CBFM: starting forest-based business. Some villages have recently completed land use planning (LUP) and forest management planning (FMP) processes, and others are yet to engage in both. In addition to these 'base activities' (LUP and FMP), FORVAC supports forest-based value chains in the villages.</p>

	<p>FORVAC works on strengthening forest related value chains at several levels from community to national level. All these levels play a role in creating a value for community forests and in increasing income for the forestry communities. This eventually contributes to decreasing deforestation and further to climate change mitigation, because the community is willing to save their forest, instead of turning it to e.g. agricultural land. Forest value chains development can happen either through further developing existing forest related businesses in the community level and/or by strengthening their role as primary producers by connecting community members with new markets, and simultaneously supporting increment in production volumes and fulfilment of the quality demands of the buyers.</p> <p>All support to business development has a demand/market-oriented approach as a starting point. Only businesses for which there is sufficient product demand are promoted. The customers are the ones deciding what should be produced/marketed through their combined purchase power.</p> <p>During 2020 - 2022, FORVAC shall facilitate call for proposals for local CBFM/VLFR related businesses under the following three (3) categories:</p> <ul style="list-style-type: none"> • Category 1: Community level calls: support concentrates on mentoring, grant support between 1,000,000 tzs to 15,000,000. • Category 2: Mezzo or Medium enterprises through matchmaking and community level calls (FORVAC invests in community capacity building, tools etc. needed in terms of mezzo level enterprises entering into contracts with our target communities). • Category 3: National level: e.g. honey company investing in processing plant in FORVAC areas -> FORVAC will share cost in community engagement and increasing beekeepers' production. Level of support depends on the scale of the business and will be agreed upon case by case.
4. Objectives	Contribute to increased forest based livelihoods in the FORVAC target areas through sustainable businesses with visions for growth.
5. Scope	<p>Regarding the Category 1, Community level call for proposals, the selected organization shall be responsible for the following functions:</p> <ul style="list-style-type: none"> • Fund management of the business support, procurement <ul style="list-style-type: none"> - Distribution of grants and procurement of equipment and materials for the selected businesses (individuals, producers' groups, cooperatives, small and micro enterprises, local NGOs). • Mentoring of the selected small businesses <ul style="list-style-type: none"> - Capacity building, also including mentoring and hand-on guidance, in business skills <p><u>The business support, including mentoring, takes place in the following areas:</u></p> <ul style="list-style-type: none"> • Tanga Cluster: Handeni district + villages • Ruvuma Cluster: Songea district + villages • Lindi Cluster: Liwale district + villages <p>This assignment covers mentoring and grant management of Category 1 businesses for the 6-month period starting after the selection of the participating entities. All mentoring should be practical, solution oriented and easy to digest for the micro/small scale enterprise owners. Materials used should be easy to use and understandable even without constant hand-holding from the mentor.</p> <p><i>The support for community level businesses targets in solving bottlenecks for growth of each individual supported business, as there is no one-size-fits-all-solution when it comes to different lines of businesses with different challenges. The support includes both financial grant support (min. 1,000,000 tsh, max 15,000,000 tsh) and a strong mentoring component for a half-a-year period. During this half a year the selected enterprises / start-ups get support in drafting a business plan, setting up/improving record keeping, making a growth strategy, marketing plan (if feasible) and hand-holding in the actual implementation of these plans. These documents determine the monetary support, and after approval with FORVAC, the procurement will be organized by the mentor/mentoring organization during the half-a-year mentoring phase.</i></p> <p><i>After the 6-month-mentoring is over, FORVAC will continue monitoring/supporting the enterprises in</i></p>

	<p><i>collaboration with the district council. Feedback from the businesses themselves is collected during and after the mentoring phase to advice in the development of mentoring service, materials and training sessions to make sure they in the best way answer to the needs of the businesses.</i></p> <p><i>Each district will have one mentor, who is during this assignment based in the district in question. Every mentor will have 10-20 entrepreneurs to support in surrounding villages. Mentor will share his/her time among these enterprises and where possible organize combined mentoring sessions, if enterprises are from the same area within a reasonable walking distance from each other. Mentor uses a motorbike for transport (motorbike provided by FORVAC).</i></p>
6. Expected deliverables	<ul style="list-style-type: none"> • Report of capacity assessment of all enterprises (beneficiaries) before/after. • Through mentoring, business owners skilled in cost – benefit, profitability and market analyses to assess viability of their initiatives. • Recommendation for investments per business submitted to FORVAC (before procurement). • Basic record keeping and accounting/bookkeeping guidelines for beneficiaries. • Basic business plan of each supported business initiative. • Basic demand-oriented growth strategies of supported initiatives. • Electric data collection and storing (hand phone based data collection): Kobo toolbox form filled from mentoring events/visits (FORVAC will provide the form).
7. Timing	<p>July 2020: Capacity assessment, capacity building plan for each business</p> <p>Aug-Sept 2020: Trainings for all businesses</p> <p>Oct 2020-Jan 2021: Mentoring, handholding through regular visits, organizing grant support/procurement</p> <p>Jan 2020: Capacity assessment, final reporting, recommendations for further support for the enterprises</p> <p>Continuation of service provision is possible, once the calls are organized in the 7 remaining FORVAC districts. This is, however, decided upon later as per results from the first round.</p>
8. Travels	Required traveling, accommodation / per diems etc. covered by the Service Provider (to be included in the proposal/budget and the related contract).
9. Qualifications	<p>The selected Service Provider should meet the following qualifications:</p> <ul style="list-style-type: none"> • Demonstrated experience in providing business mentoring to rural micro enterprises (organization and mentors). • Demonstrated successful business cases from earlier work (organization and mentors). • Experience in grant scheme management (fund management) and related clean track record (organization). • Existing concepts, training modules, materials that can be used and further developed during this service provision (organization). • Experience in connecting micro enterprises with markets (organization and mentors). • Experience in facilitating new innovations through mentoring and workshops in rural. • Experience in supporting forest-related businesses is an asset.
10. Payment	<p>The proposal should include the budget breakdown and clearly specify the total value of the proposal.</p> <p>Exact terms of payment will be negotiated with the Service Provider during contracting.</p>
11. Mode of selection	<p>Quality/price based.</p> <p>Maximum scoring 100, divided by the selection criteria as follows:</p> <ul style="list-style-type: none"> • Technical proposal: proposed approach, methodology (training methods & training materials) and workplan, resources allocated: max. 25 points • Institution: capacities, experience, samples of business support (10) • Team (education, experience, practical samples of business support leading to success): <ul style="list-style-type: none"> - Team Leader, quality assurance (13 points)

	<ul style="list-style-type: none"> - Mentors (3 providing mentoring, 1 in each selected district, each max. 9 points): max. 27 points • Financial proposal (budget): max. 25 points
12. Proposals	<p>The proposal should cover the following subjects:</p> <p><u>Technical proposal for mentoring / grant management</u></p> <ul style="list-style-type: none"> • Introduction of the Service Provider (capacities, experience) • Understanding of the ToR, any suggested changes • Approach/methodology and tools (business training methods, materials) • How gender equality, vulnerable groups and possible low levels of literacy are considered in mentoring services • Resources available • Expert(s), with comprehensive CVs and description of his/her/their role(s) in the process, experts' inputs • Backstopping services by the institution • Quality assurance by senior staff • Equipment / software <p><u>Financial proposal</u></p> <ul style="list-style-type: none"> • Budget breakdown: <ul style="list-style-type: none"> - Consultancy fees: mentoring and grant management - Estimation of the operational costs (e.g. GoT participation, community participation, training/meeting costs, field costs, grant per business, transportation). <p>For proposal use an average of 2,000,000 TZS grant per business. Note, operational costs can change to some extent after the assessment for monetary support (specifications, reallocations made as per need).</p> <ul style="list-style-type: none"> - Possible admin fee / grant management fee per month <p>Signed Technical and Financial Proposals with available training materials should be sent electronically to the email address: procurement@forvac.or.tz by 18 June 2020.</p> <p><u>For further information, please contact:</u></p> <p>Juhani Härkönen, FORVAC CTA, email: juhani.harkonen@forvac.or.tz, tel. +255 624 855 759</p> <p>Alex Njahani, FORVAC FME, email: alex.njahani@forvac.or.tz, tel. +255 755 380673</p>
13. Annexes	<ul style="list-style-type: none"> • FORVAC Call for Business Proposals approach (annexed) • Programme Document (PD) https://forvac.or.tz/wp-content/uploads/2019/12/FORVAC-Programme-Document_FINAL.pdf • Training Needs Assessment https://forvac.or.tz/wp-content/uploads/2019/11/20190714_Training-Needs-Assessment.pdf • Market Systems Analyses https://forvac.or.tz/wp-content/uploads/2019/11/20181218_Market-Systems-Analysis.pdf • FCG Code of Conduct https://forvac.or.tz/wp-content/uploads/2020/01/FCG-Code-of-conduct.pdf • FORVAC Corona Guideline for service providers https://forvac.or.tz/wp-content/uploads/2020/03/FORVAC-Guideline-of-COVID-19_Partners-Service-Providers_202004231.pdf

ANNEX



Call For Business Proposals

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Guideline, procedures

1 Rationale

Purpose is to support businesses based on forest products in villages who own a VLFR. Forest as a source of livelihood creates a feel of ownership of the forest and, thus, contributes to conserving the forest.

These calls are organized once or twice per annum during FORVAC. We invite companies, start-ups, individuals, and in some cases also non-governmental organizations with business orientation to take part in the call.

All support to business development should have a demand/market-oriented approach as a starting point. Only businesses for which there is sufficient product demand should be promoted. The customers are the ones deciding what should be produced/marketed through their combined purchase power.

Businesses are supported in different levels – community, and regional/national. Also, matchmaking services are practiced, but the monetary support to matchmaking is channeled via community level calls for proposals.

Categories

- Category 1: Community level calls: support concentrates on mentoring, grant support between 1,000,000 tzs to 15,000,000
- Category 2: Mezzo or Medium enterprises through matchmaking and community level calls (FORVAC invests in community capacity building, tools etc. needed in terms of mezzo level enterprises entering into contracts with our target communities)
- Category 3: National level, e.g. honey company investing in processing plant in FORVAC areas -> provide market to beekeepers in programme villages
- Category 3: National level: e.g. honey company investing in processing plant in FORVAC areas -> FORVAC will share cost in community engagement and increasing beekeepers' production. Level of support depends on the scale of the business and will be agreed upon case by case.

1.1 *Category 1: Community Level Calls for Business Proposals*

1.1.1 **Criteria:**

- The business should be related to VLFR (e.g. beekeeping, carpentry, weaving, other NTFPs), or have direct linkage to reducing pressure off the VLFR (e.g. alternative charcoal/firewood, efficient cooking stoves, tree growing outside VLFR, nurseries)
- The business/potential business should be potentially viable
- The business should be implemented within FORVAC program villages

1.1.2 **Who can apply:**

- Individuals / groups / micro-enterprises in community level, preferably with market linkage

- Businesses outside the target areas, who are interested in doing business with individuals or groups from the forest communities. Application should be made in cooperation with the target community members.
- Primarily, the Lead Applicant should come from the community. Still in some cases local NGO can be the lead applicant, but with strong linkage to community entrepreneurs in target areas and a market actor(s).

1.1.3 What can be supported?

- Business registration & legal advice
- Business planning – investment plans
- Staff sourcing & training of skills (technical skills, management skills etc.); development of human resource management capacity – staff work plan preparation, labour regulation etc.
- Product and production process innovation; technology specification/development, supplier identification
- Equipment/machinery for operations, i.e. hand tools, weighing scales or other measurement tools, mobile phones etc.
- Market studies, i.e. demand/supply, price and competition analysis, customer satisfaction, access to market information etc.
- Participation in trade fairs and other market linking, establishment of market access
- Accounts establishment, management and annual audit
- Mitigating health risks among staff
- Mitigating negative environmental and social impacts
- Networking with similar business entities within the same commodity chain
- Any other aspect that according to business plan would lead to growth of the business

1.1.4 Procedure

Community Level Business Support Procedure: Calls for Business Proposals, to be arranged 2-3 rounds in every village during FORVAC			
	Step	Responsible	Comments
1	Tangazo/announcement in community level	CC	Rules for publicity & announcement draft available (ref. 1.2.5)
2	Short expressions of interest from individuals/groups/organizations in target communities (letters/form)	villagers, CC receives	A form is available, but a letter is ok, when it includes the same information (ref. 1.2.6)
3	Pre-selection: is minimum criteria filled? If not, expression of interest not worked on further.	CC, NJE	Minimum criteria available (ref. 1.2.6)
4	Support in making an application, application format attached. It is filled during an interview.	CC coordinates, DC makes interviews / produces application with community enterprises	1.2.7
5	Final selection by selection board		Selection board structure still to be discussed, see comments below (ref. 1.2.7)
6	Mentoring/ support	Selected service	Mentoring outsourced to

	-> Business training modules during which the enterprise will with support formulate a business plan, simple record keeping, growth strategy -> monetary support 'suggested' in the application phase can change during the business planning phase (e.g. irrelevant investments removed) -> After training monetary support according to the business plans -> Follow up / hand-holding till the end of the contract (timewise at least one day per month, which is shared in weekly shorter visits)	provider(s)	a regional or national service provider. Ref. 1.2.8
7	Monitoring, business capacity support & hand holding -> Less intensive support after the more intensive mentoring period (6) -> Business capacity support & handholding till the end of the programme as per need -> still possibility to get inputs in terms of advanced skills / capacity building if seen relevant	FORVAC/DC/local service provider	Can be planned later as per need. Ref. 1.2.9

1.1.5 Rules for publicity & instructions for announcing the call

Announcements for calls for business proposals in community level are published separately in each FORVAC target village in Kiswahili (A4 size). Find the call draft in Annex 1. Cluster Coordinator will make sure that the call is available for community members to see in prominent places in the village: village signboard, village office, at least one shop in each village.

In addition to this, the ward office will have one announcement for each village under its jurisdiction, where calls are organized.

Also, announcements are given to

- District Councils
- Tanzanian Chamber of Commerce, Industry and Trade (TCCIA), if they have an office in the district in question
- Local NGO Network offices
- Announcement can be done through local community radio if seen relevant for reaching public

Cluster coordinator will make sure that all relevant authorities at district level know about the call (DED, DFO, DC, etc.).

1.1.6 Expressions of interest & pre-selection

We want to keep the call as inclusive as possible, hence, the application process is organized in two stages. First stage is what we call expression of interest, which will be easy for even a typically uneducated community member to complete.

Expressions of interest can be delivered either to FORVAC cluster office, or to DFOs office in the district in question by due date given in the announcement. It can be hand-written, and in letter format. The letter must include in the minimum following information:

- Name of applicant/applicants (in case of joint expression of interest, must include the name of both parties)
- Village of residence / operations
- Line of business and how it relates to forest
- Contact information
- Short 3-5 sentences narration of the business idea / existing business
- Short description of needed support in terms of investment and capacity building

Cluster coordinator with the help of junior expert in value chain development will collect the expressions of interest from DFO and perform a preselection. Minimum criteria is:

- At least one applicant is a resident of the village in question and operations at least partly are located there
- Line of business has a linkage to the VLFR in question, either directly or through reducing pressure off the VLFR in terms of charcoal production / timber harvesting (e.g. improved stoves, forest growing initiatives outside the VLFR, sustainable charcoal of alternative materials, agroforestry initiatives around the VLFR)

He/she will produce an excel file where all applicants are listed and where filling of minimum criteria is recorded.

1.1.7 Final applications & selection

All applicants who fill the minimum criteria are interviewed in the village. During this interview the target is to co-create a more comprehensive application, which then can be scored by the scoring team. If any applicants wish, they can also fill the form themselves without help from the interviewer. It is important to let the applicants know that this is their own application, but the procedure is there in order to help the less privileged and possibly illiterate business owners / innovators to take part in the call. Every application is a co-creation and applicants will sign it in the end, even if assisted in making it.

Interviews can be performed by cluster coordinator and junior expert, but it is recommended that in case applicant number is high, cluster coordinator requests relevant district officers to help in performing the interviews and in assisting the applicants to draft the applications.

There is a separate interview form and simple business plan form which will be filled during the session (ref. ANNEX 2). This should not take more than 1 hour per applicant.

It is important at this point to underline that

- Support involves intensive training period, where no transport/allowances in terms of money is provided. This training period takes about one week, half day each, and is organized within walking distance from the village in question. Training involves home assignments that must be completed in order to get forward in the programme. Completing this training as a whole is a precondition for staying in the mentoring programme.
- Monetary support will be channeled through service provider after the 2% self-finance has been paid by the applicant, after the intensive training period is over. Service provider will most likely perform the procurement, or closely take part in it.
- Whatever is proposed for business support during the application phase might change during the mentoring phase as per developed business plans. This is to reduce irrelevant investments and targeting the support to what according to the business plan is most relevant. Every selected business, who pass the first phase of support will, however, receive in the minimum worth 1,000,000tsh support to any investment seen relevant, in addition to business mentoring.

The applications which score best will be selected for support. The number of selected initiatives can vary as per capital available.

Selection board is formed at district level and covers representation from local private sector, government and civil society in addition to FORVAC

- 2 local business men / women
- 1 Local NGO network rep (if available in the target district)
- 1 Local TCCIA rep (if available in the target district)
- 1 rep from district council
- 2 FORVAC rep

All applications are scored as per attached scoring sheet (ANNEX 3).

FORVAC will inform the selected applicants. Combined scoring sheet will be published on the notice board closest to the FORVAC office, and a photo of it will be provided to any interested party via whatsapp or email.

1.1.8 Mentoring

FORVAC will provide mentoring services for all businesses supported through these calls. Business mentoring will be outsourced to a national or regional service provider. The support includes an intensive training phase, appr. one week, half a day each training day, during which selected business owners take part in practical training during which the key documents of the business are developed / updated: simple accounting, business plan, marketing plan, strategy.

Intensive training will include at least following

- Financial management within a company and basic accounting
- Business strategy, growth planning
- Marketing, looking for new markets
- Financial viability calculations
- Staff capacity building plan formulation

It is instrumental that participants understand that this particular phase is their own in-kind contribution and no allowances, or travel are compensated (for exceptions see 1.1.10). This phase needs to be passed in order for the business to get the planned monetary and mentoring support. If during the intensive training module, changes are made to business plans and need for business support in terms of expert knowhow or monetary support change, changes can still be updated and accommodated with mutual understanding between FORVAC, service provider and the business in question.

After the intensive training phase,

- Service providers will continue mentoring the selected businesses by visiting business once a week for six months and advising where needed.
- Procurement of items under monetary support will be done through service provider and by service provider making sure that the business in question has first paid their 2% monetary contribution.
- If expert knowhow is needed in terms of e.g. beekeeping, carpentry, nursery management, FORVAC can engage a consultant to give targeted support to the business in question. Need for this will be communicated between service providers and FORVAC.

1.1.9 Monitoring

FORVAC will continue monitoring supported businesses till the end of the programme in 2022. Monitoring is less intensive than mentoring during the initial half-a-year (e.g. once a month), but still the goal is to identify gaps in knowhow and business development and further to act on these gaps and bottlenecks. Monitoring can be done by the FORVAC team, local service provider, or district staff on a part time basis. The approach of providing this monitoring service will vary from district to district depending on the need for monitoring, available resources and type of supported businesses.

1.1.10 Inclusivity of vulnerable groups

We ensure that vulnerable groups have equal chances in taking part in these calls by following actions:

- Application procedure as such made easy for the applicant
- Vulnerable groups are favored in scoring by giving additional points for belonging to some of the following groups: female led initiative, PLWD, young people (< 18 years old), elders (> 60 years old)
- All the necessary text and writing material are easy to understand and fill in, training is very practical and as simple as possible
- Illiterate persons and persons with reading disabilities can take with them a family member or a partner to learn the basics of accounting etc.
- In some cases we can justify an allowance for attending the training, e.g. in case a single parent must earn daily income for feeding the family.
- More mentoring / monitoring input in terms of time from service provider will be given to least privileged

1.2 Category 2: Mezzo level support

This category does not have its own call planned, but instead companies who would like to be supported can apply with a community-based business in the community level calls.

Matchmaking will be practiced for the interested companies.

1.3 Category 3: National level

In this call producers should be based in one of the FORVAC supported villages, or in surrounding areas in case they are contributing to the business in the FORVAC supported villages in terms of buying material/products from them.

First incentive in this level is supporting the honey value chain. For now the procedure is planned to be following:

1. Collect honey producer data from the programme areas
2. Identify a 'hotspot area' which has potential for larger volumes of production
3. Contact honey companies in the country and find out about willingness to expand operations to new areas on a cost sharing basis: FORVAC to support capacity building of producers, the company to invest in processing in the area. Get letters of interest from the companies.
4. Invite interested companies for an exposure visit to the selected area(s).
5. Interested companies to make proposals.
6. Selection and start operations.

These projects are formulated between FORVAC and enterprises case by case, but with the requirement that the company matches the funds FORVAC invests in producer capacity building and in increasing product volumes & quality in terms of capex investment, staff etc.
