

TANZANIA AGRICULTURAL DEVELOPMENT BANK (TADB)



RURAL INNOVATION FUND (RIF)

CALL FOR PROPOSALS/ CONCEPT NOTES

TO BE FUNDED BY THE RURAL INNOVATION FUND (RIF)

1.0 Background on Rural Innovation Fund (RIF)

The Government of the United Republic of Tanzania has provided funding for the establishment of the Rural Innovation Fund (RIF). RIF is a project designed by the Market Infrastructure, Value Addition and Rural Finance (MIVARF), a Programme which is implemented by the Prime Minister's Office. Further, the Government appointed Tanzania Agricultural Development Bank (TADB) to be the Administrator of the Fund. Funding for the RIF is envisaged to be USD 5.0 Million.

The RIF is expected to support directly, the plans, concepts, ideas and initiatives to test new innovative approaches, methods and services in rural areas for the benefit of rural population.

2.0 Call for Proposals/ Concept Notes

In order to operationalize the RIF, the Administrator is calling for proposals /concept notes from the public. The RIF is currently earmarking to finance projects with the following objectives:

- i. Facilitate enhanced access to financial services by the rural poor, especially by Smallholder Producer Organizations.
- ii. Facilitate improved quality of financial services and delivery mechanisms for different activities in agricultural value chains.
- iii. Strengthen technical capacities of Financial Service Providers (FSPs) and other actors, with a focus on financing agriculture value chains.
- iv. Promote livelihood opportunities and employment creation in rural areas.
- v. Facilitate access to business promotion services for the poor rural people.
- vi. Facilitate establishment of mentorship and incubation programs for Youth and Women, in order to empower them to create agribusiness enterprises.
- vii. Facilitate establishment of centres for delivery of Mechanization, Financial and advisory/extension services for smallholder farmers.
- viii. Facilitate collection and dissemination of market information for agricultural commodities.
- ix. Facilitate aggregation and provision of capacity building services to smallholder farmers.
- x. Facilitate scaling up and putting into practice of innovations/research findings as done by Universities and Research Institutions.
- xi. Facilitate improved access to technologies for smallholder farmers in order to enhance productivity.

3.0 Nature of assistance

Financial support from the RIF would be in the form of grant-in-aid, soft loan and partly grant, partly loan. This will be determined depending on the nature of innovation, profile/background of the beneficiary, costs of the activity/intervention, own contribution, risks involved, commercial benefits to the rural areas/population, etc.

4.0 Eligible Beneficiaries

Individuals, Financial Service Providers, including Development Finance Institutions (DFIS), Banks, MFIS, SACCOS, Networks of Financial Service Providers, Technology solutions/services providing companies, Agribusiness companies, Farmers' groups/producers' organizations, Academic/research institutions, Non-Governmental Organizations(NGOS)/Community based Organisations

4.1 Eligibility Criteria

- i. A formal entity, duly registered under a law of the land (except in the case of an individual).
- ii. Must have previous experience of working in the field of/with Rural Development, Rural finance, multiple agricultural value chains, Smallholder farmers, pastoralists, fishermen, women, youth, etc.
- iii. Must have technical competence/skills, including qualified human resources, to undertake the tasks/assignments.

- iv. Must be financially sound, and have viable operations leading to sustainable services.
- v. Ability to meet a part of the project cost.
- vi. Adherence to the international best practices for governance, business service, accounting, monitoring and reporting.
- vii. Audited during the previous three years and the audit reports must have been submitted to the registering/regulating authority in time.
- viii. No adverse opinion should have been made in the audit reports (as also in the inspection reports of other regulators like BRELA, BOT, RCS, etc.).
- ix. The Board of Directors/Governing body must resolve to apply for assistance under RIF and authorise the CEO to apply to TADB for the same.

5.0 Eligible Sectors/Projects

The RIF will support innovative projects in the Rural Finance Institutions [RFI] (including agricultural finance, microfinance and informal finance), farm and non-farm sectors.

- i. In **Rural finance sector**, RIF will support innovative proposals that aim to achieve the following:
 - ✓ Expanding Outreach of RFIs and Improving Financial Inclusion.
 - ✓ Development of Suitable products and services to increase the flow of credit and other financial services to various segments of and agricultural value chains.
- ii. In **the farm sector**, RIF will support innovative proposals that aim to achieve the following:
 - ✓ Increasing productivity of farmers, improving farm practices (especial in dry land /rain fed areas).
 - ✓ Conserving the land fertility and water moisture (including rainwater harvesting).
 - ✓ Improving post-harvest infrastructure (including storage, processing and marketing).
 - ✓ Producing energy from biomass/agricultural wastes etc.
- iii. In **non-farm sectors** RIF will support innovative proposals that aim to achieve the following:
 - ✓ Creating sustainable employment opportunities in the rural areas.
 - ✓ Projects which will result in an improved profitability of operations of artisans, handicrafts persons, rural entrepreneurs, help in reducing drudgery.
 - ✓ Promotion of rural entrepreneurship and skill development and improve access to markets
 - ✓ Improving sanitation, health and hygienic conditions and environment in rural areas.
 - ✓ Facilitate community regulation of distribution and use of common water, energy and other resources.

6.0 Eligible Activities

The RIF will provide financial support to variety of activities which are innovative in nature and offer possible solutions to existing problems. An illustrative list of activities supported by the RIF include the following; -

- i. Expanding financial services outreach ability; Enhance capacity for increased financial services delivery and clients outreach.
- ii. Product development; Support market research and product development to ensure appropriate products are used for the low income and unbanked in rural areas.
- iii. Training and capacity building interventions: Training and technical assistance that would facilitate access to new financial services.
- iv. Technology application/adoption/improvement (software and hardware)

7.0 Beneficiary Contribution

Each Concept Note / Proposal must indicate the promoter's contribution on the proposed project. Depending on the nature of the activity to be implemented and the likely benefits to be accrued, the contribution can be cash or in kind.

8.0 Mode of application

The application for RIF will be submitted to TADB and should include a covering letter, Entity's Profile, Details of the Proposal, Resolution of the Board of Directors to seek assistance from the RIF and authorising the Chief Executive Officer to enter into necessary agreements/memorandum of understanding (MOU) with TADB. Only fully completed Concept Notes/ proposals will be considered for Pre-Evaluation. Interested applicants may contact TADB for sample/format of proposals to be submitted.

All applications must be delivered to TADB by 4.00 pm on Friday, 3rd August 2018. The Concept Notes/ Proposals together with other documents should be sent to the following address:

**The Administrator of Rural Innovation Fund,
Tanzania Agricultural Development Bank,
3rd Floor Acacia Estates Building, 84 Kinondoni Road,
P.O. Box 63372, Dar es Salaam, Tanzania.**
E-mail: rif@tadb.co.tz



**FOR MORE INFORMATION, PLEASE
CONTACT US:
We are located at: 3rd Floor, Acacia
Estate building, Plot 84 Kinondoni Road**