

# Answers to questions made for RFP-LRF GEF-2023-004

RFP-LRF GEF-2023-004 – For the financial planning & business plan support for an East African coffee-focused SME was published on the Landscape Resilience Fund's website (<https://landscaperesiliencefund.org/news/call-for-proposals/>) on January 29, 2024. According to the updated timeline published in the same link, the deadline for submitting questions was February 12, 2024. This document provides the answers to all the questions submitted by potential offerors to this process.

## Question 1

Operational status of the Company - Kindly confirm whether the Company is yet to be set-up in Kenya or is it already set-up and has existing operations in Kenya?

**Response to question 1: The Kenyan subsidiary has already been incorporated, and some early operations have begun.**

## Question 2

Engagement Duration - The RFP states that the duration of the agreement between the Selected Offeror and South Pole shall not be longer than 4 months.

**Response to question 2: Ultimately a final timeline will be agreed between South Pole and the Selected Offerer in line with the needs of the SME. However, where offerors believe the timelines proposed in the RFP should be extended, we expect Offerors to set out reasoning for this in their submission.**

## Question 3

Deliverables - Please elaborate on the deliverable for "Oversight responsibility of accounting functions for company's Burundi and Uganda subsidiaries."

**Response to question 3: The SME's Burundi and Uganda entities already have established finance functions and produce their own accounts. The oversight role will include quality assurance and consistency with other group operating entities. The Kenyan subsidiary does not currently have a formal finance function established.**

## Question 4

Deliverables - In reference to Activity 3 - Deliverable 2, kindly confirm whether the role of the accountant will be remote based or on-site or hybrid? If it is an on-site based and / or a hybrid role, kindly provide an indication of the location for us to consider in our costing proposal.

**Response to question 4: We expect Activity 3: Deliverable 2 to be a part-time position and majority remote with approximately 4 days/month expected on-site in Nairobi. Specific work arrangements are to be agreed upon between the SME, the Selected Offeror, and South Pole.**

## Question 5

Deliverables - In reference to Activity 3 - Deliverable 2, "the company may elect to engage the consultant directly on a temporary basis, in any case for a period of two months". Based on our experience, the period of two months is too short considering it is being set-up operationally and aligning processes to best practice. Kindly confirm whether there is any flexibility in regards to the duration of the period.

**Response to question 5: As the deliverable will involve close working with SME staff, the purpose of the temporary appointment is to provide the SME with an option to cease the engagement where the support does not fit with the organisational culture and is not connected to the achievement of specific support milestones which would be expected to conclude over the broader deliverable period. In any case, the ultimate duration of the temporary appointment can be negotiated between the SME and the Selected Offerer.**

## Question 6

Kick-off Meeting - Kindly confirm whether the kick-off meeting will be held virtually or in person for us to consider the same logistically and commercially.

**Response to question 6: The kick-off meeting will be held virtually.**

## Question 7

Nature of company's business - I read the description on the company (and noted that more information will be shared post-NDA), and I appreciate their business model is to purchase green coffee and to explore to developed markets. I have a few clarification questions to ensure that our experts do not conflict with this. Can you please clarify, do they solely sell green coffee to customers? Or do they roast and package coffee too? And what is the nature of the customers (e.g. type of business)?

**Response to question 7: The SME is engaged in the export of green beans and sells to specialist buyers and roasters around the world including Europe and North America.**

## Question 8

Company corporate structure - I acknowledge that the company has operations in Uganda and Burundi, and also aims to enter into Kenya. What is the company's corporate structure, for example

is one of those companies the holding company, or do they have a foreign holding company we should consider?

**Response to question 8: The group includes a foreign holding company and separate local operating entities. Further details will be provided after the Selected Offeror has signed a non-disclosure agreement.**

## Question 9

Access to historical financial data - Does the company have externally audited financial statements? If not, are management accounts already prepared for the last 3 years and sufficient?

**Response to question 9: The SME has historical audited financial statements, which can be made available during the engagement.**

## Question 10

Existing pitch deck materials - Does the company already have an existing pitch deck of any sort, or shall we assume that the Activity 2 starts a pitch deck from scratch?

**Response to question 10: The business has previously produced short teaser slide decks which could be used for reference, however, Offerors should undertake the deliverable as if starting from scratch.**

## Question 11

Company budgets - Under activity 3, deliverable, 1, it mentions comparison of actuals against budgets. Are current/past budgets in place?

**Response to question 11: The company currently produces a budget on an annual basis and would be available for reference during the engagement.**

## Question 12

Accounting support - Under Activity 3, Deliverable 2, it mentions full financial controller activities for the Kenya subsidiary. We have a few questions on that:

- Is this on a full or part-time basis?
- It mentions the service are to cover financial years 2024 and 205. Would this also involved financial audit for FY203?
- Should this work be budgeted under this contract, or will the company be contracting for and paying for this support? Also noting that under "Contract and Period of Performance", it mentions a 4-month period of agreement.

**Response to question 12: We expect Activity 3: Deliverable 2 assignment to be a part-time position and offerors should assume that audit services for FY23 will not be required. As further clarity, should the SME elect to engage the Selected Offeror on a temporary basis this will be contracted with the SME directly. Subject to the SME's satisfaction with the Selected Offeror, the Selected Offeror & South Pole will contract for the full deliverable period of performance covering FY 2024 & 2025.**

## Question 13

Contracting entity - I see that South Pole will sign the consultancy agreement. From which country/jurisdiction will South Pole sign the contract?

**Response to question 13: The consultancy agreement will be signed by South Pole Carbon Asset Management Ltd based in Switzerland.**

## Question 14

Project budget - I see the guidance noted on how the technical vs cost proposals will be reviewed. Is there any budget cap that we should be aware of for this assignment?

**Response to question 14: There is no explicit budget cap for this assignment, however cost of the proposal will be a factor in our selection process.**

## Question 15

Acknowledging the project duration of max. 4 months. Could you kindly provide an indicative range for the size of the contract (USD or number of days)? (General question)

**Response to question 15: We do not set a requirement for the total budget or number of days. Each Offerer should submit their cost and resource proposal based on the deliverables set out in the RFP.**

## Question 16

Could you kindly elaborate a bit on the travel expectations for this assignment? Are there any specific tasks you would want to have covered in person or is the scope at the discretion of the offeror (i.e., part of the proposal)? (General question)

**Response to question 16: We expect all activities to be fully remote engagements with the exception of Activity 3: Deliverable 2, which we expect to require approximately 4 days in-person per month in Nairobi.**

## Question 17

Could you kindly elaborate on the scope of Activity 3 (Financial Reporting & Accounting Support) post the max. 2-month period and the timing of the decision (p. 4-5)

**Response to question 17: As further clarity, should the SME elect to engage the Selected Offerer on a temporary basis this will be contracted with the SME directly. Subject to the SME's satisfaction with the Selected Offerer, the Selected Offerer and South Pole will contract for the full deliverable period of performance covering FY 2024 & 2025.**

## Question 18

Are there specific requirements with regard to a consortium (i.e., sub-contracting, or Joint-Venture)? Also, would you require all the documents mentioned (e.g., tax documents) from the consortium partner as well? (p.8)

**Response to question 18: There are no specific consortium requirements for this contract, however, we do require supporting documents for all consortium partners.**

## Question 19

With regard to the document "tax clearance certificate", we wanted to see whether this is a must-have document for you? Background: XXX\* is a younger firm, where the first operational year was 2022 and we are still pending the final confirmation on this specific tax year. However, we can provide any other relevant information in relation to tac (i.e., the relevant tax number etc.). (p.8)

\*The name of the organisation has been erased to avoid any confidentiality issues.

**Response to question 19: Where an explicit tax clearance certificate is unobtainable, the Offerer should clearly state the reasoning for this and provide any and all tax information available for South Pole to use in its screening process.**

## Question 20

The Proposal due date on page 1 is stated as 26th February 2024, whilst on page 10 it is 19th February 2024. Kindly clarify the correct Proposal due date.

**Response to question 20: We apologize for the inconvenience. The timeline has been updated and published in the call for proposals link. The updated proposal submission deadline for RFP-LRF GEF-2023-004 – Financial Planning & Business Plan is February 26, 2024.**

## Question 21

Could you also kindly indicate who will be the main contact person for the tender on your end? This would allow us to personalize the cover letter.

**Response to question 21: The proposal can be sent to South Pole Carbon Asset Management Ltd. There is no need to refer to a main contact.**

## Question 22

Could you provide additional detail about the company's capital raise plans including quantum of raise and use of funds.

**Response to question 22: The SME intends to raise \$2.0-2.5m. The majority of this investment will fund capex.**

## Question 23

How has the company funded operations to date? Have they raised external capital previously incl. impact, institutional etc.

**Response to question 23: Specific details of SME funding will be made available during the assignment. However, we can confirm the SME has raised external capital previously.**

## Question 24

Is the company planning to focus solely on Arabica coffee beans, or will there be an emphasis on Robusta beans as well? Considering that Arabica and Robusta beans require different growing conditions and processing systems, this will impact the necessary infrastructure and machinery

**Response to question 24: The SME is focused solely on Arabica coffee beans.**

## Question 25

Which segments of the coffee value chain is the company currently/intending to prioritize? Is the company also engaged in the export of green coffee beans?

**Response to question 25: The SME operates at all levels of the supply chain up to dry milling, including direct farmer engagement and wet mill operations.**

## Question 26

For the various activities, could you clarify whether offerors are allowed to apply for Activity 1 & 2 and provide recommendations/not necessarily lead Activity 3?

**Response to question 26: Offerors are permitted to apply for Activities 1 & 2 only. In addition, where Offerors wish to form consortiums on specific Activities this is permitted.**

## Question 27

Questions from other bidders - Kindly share the questions from other bidders and your responses to the same.

**Response to question 27: All questions received and corresponding answers are to be published on our website. Please check the link mentioned above frequently for any updates on this process.**