



## **Expression of interest for Fund Manager for the SAGCOT Catalytic Trust Fund**

### **Introduction**

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is a unique public private partnership to stimulate responsible and sustainable commercial agricultural development in the southern corridor of Tanzania, an area encompassing 7.5 million hectares of arable land extending from the port of Dar Es Salaam to the country's borders with Malawi, Zambia and the Democratic Republic of Congo.

The SAGCOT Catalytic Trust Fund (CTF) is an innovative financing mechanism for SAGCOT created in response to the challenges of catalysing private sector investment in commercially and financially viable agribusinesses. It targets smallholder linkages along the value chain and aims at providing the bridging financing for commercially viable agricultural businesses that incorporate and support smallholder farmers. The CTF will combine both high developmental impacts with commercial viability in order to leverage investment in the agribusinesses value chain.

The CTF will have two investment windows: The Matching Grants Fund (MGF) and the Social Venture Capital Fund (SVCF). The MGF is a \$45M facility designed to catalyze investments in the SAGCOT region through \$250K - \$1.5M grants in capital expenditure, operational expenditure or technical assistance to improve the productivity and incomes of small-holder farmers leading to incorporation of small-holder farmers into commercial supply chains. The SVCF is anchored by \$20M of initial funding designed to make mezzanine debt and quasi-equity investments in earlier stage companies to facilitate the growth of emergent agribusinesses to commercial scale and develop greater interaction with Smallholders.

### **Responsibilities**

The Fund Manager or Fund Management Team must:

- Identify, structure, and disburse investments and matching grants to private sector projects that satisfy fund investment / grant criteria for both the SVCF and the MGF
- Work collaboratively with diverse groups including the Tanzanian and international business community, farmer organizations, and the public sector to identify and develop projects along the agribusiness value chain
- Provide technical assistance for investees and grantees as they design and grow outgrower schemes as well as other technical assistance likely relevant to investees
- Raise additional capital for the SVCF
- Monitor and assess implementation of each recipient's project to ensure efficient utilization of disbursed funds
- Evaluate environmental risk and impact on supported projects, and carry out annual environmental impact audits on a selection of supported businesses, and ensure investees and grantees comply with relevant national environmental regulations as well as best practices established in the Government of Tanzania's SAGCOT Environmental and Social Management Framework
- Present a plan to ensure that, before disbursing grants or investments, investees and grantees comply with relevant laws and regulations surrounding landholding, with legitimate title deeds to carry out proposed projects. This function can be performed internally in the Fund Management team or externally.
- Manage its budget and maintain the requisite staff and presence in Tanzania

## **Qualifications**

The Partnership Council invites qualified candidates to express their interest in managing the SAGCOT Catalytic Trust Funds. Interested firms must provide information establishing that they are qualified to perform the services required in this mandate. Candidates are invited to apply as single firms or as consortiums of firms to perform the roles required to manage the Matching Grant Fund and the Social Venture Capital Fund. Expressions of Interest should include:

### **Basic Information**

- Name of firm(s) and legal status
- Description of all individuals involved and locations from which they operate
- Firm's strategy and mission
- Contact details for primary contact point

### **Description of Relevant Experience**

- Details of experience developing or advising agribusiness projects in sub-Saharan Africa or similar (including experience with small-holder out-grower schemes)
- Track record of sub-Saharan African or comparable investment experience, including any experience working with debt, mezzanine debt, quasi-equity, or self-liquidating instruments (including case studies, and profile/brochure of funds under management), as well as experience with impact investments
- Details of grant-making experience or other relevant experience
- Experience working with diverse institutions in emerging markets, including multi-national corporations, government, farmers' cooperatives. Include any experience with public-private partnerships
- Understanding of the needs and challenges of agribusiness SMEs in SAGCOT or similar contexts, including experience establishing outgrower schemes that incorporate small holder farmers
- Details of experience with environmental management and environmental impact assessment
- Details of experience managing investment funds, including structuring new funds, strong internal governance, and a track record of fiduciary responsibility and accountability

### **Team**

- Demonstration of the internal capacities applicable to the Fund Manager's role
- Description of access to relevant third party technical, commercial, financial, and legal expertise
- Summary of approximate decision-making / management structure

### **Other Information**

- Any other experience or capacity applicable to the Fund Management role

## **Selection Process**

After receipt of Expressions of Interest (EoI), EoIs will be reviewed and ranked and a shortlist of three to five firms or consortia will be compiled in accordance with procedures set out in the SAGCOT Catalytic Fund's Trust Deed. Shortlisted firms will be invited to submit a proposal describing in greater details their approach and ability to manage the catalytic trust funds, including specific profiles of the senior management team, plans to raise additional capital, and a proposed compensation structure.



Prospective fund managers and management consortia will be asked to propose their own engagement structures describing services provided in-house, budgets for those outsourced, and proposed compensation structures that may include fixed compensation fees, incentives, carry on investments, management fees from privately sourced capital, and other resources available from other sources. While all proposals will be evaluated holistically, fund manager compensation will be competitively structured, given the challenging market context. In addition, funds may be made available to build a track-record prior to raising additional capital in the market.

Expressions of Interest may take many formats to represent a managers or management consortiums qualifications, but should be submitted to [SAGCOT\\_EOI@opencapitaladvisors.com](mailto:SAGCOT_EOI@opencapitaladvisors.com) by 11:59PM East African Time on 16 August 2013. Questions about the EOI must be submitted to [SAGCOT@opencapitaladvisors.com](mailto:SAGCOT@opencapitaladvisors.com) by 19 July.