

# TERMS OF REFERENCE – AGRO INFRASTRUCTURE PROJECT TECHNICAL CONSULTANT



## ABOUT INFACREDIT

InfraCredit is a 'AAA' rated specialized infrastructure credit guarantee institution backed by the Nigeria Sovereign Investment Authority, GuarantCo and InfraCo Africa (Private Infrastructure Development Group companies), KfW Development Bank, Africa Finance Corporation and African Development Bank to provide local currency guarantees and mobilize long term debt financing for infrastructure in Nigeria.

InfraCredit's guarantees act as a catalyst to attract domestic credit from pension funds, insurance firms and other long-term investors into credit-worthy infrastructure projects, thereby deepening the Nigerian debt capital markets. InfraCredit operates in Nigeria on a commercial basis with private sector governance and mainly supports brownfield operating infrastructure companies. InfraCredit maintains the highest domestic financial strength ratings accorded to any financial institution by Agosto & Co. and Global Credit Ratings Co., the two leading domestic credit rating agencies.

For more information go to: <http://www.infracredit.ng/>



## BACKGROUND

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Maize and rice account for ~50% of grains milled in Nigeria as rice and maize are farmed in most states in the country. On average, an annual ~6 Mn tons of rice and 10 Mn tons of maize were farmed between 2010-19. Nigeria is the largest producer and consumer of rice in Africa. The country produces about 5 million metric tonnes of rice against a demand of 6.8 million metric tonnes per annum. Rice production has been growing steadily at 7% p.a. in the last 10 years and has an average production of 6 Mn tons. Rice production is supported by the rice import ban implemented in 2015.

Nigeria is currently producing about 10.5 million metric tons per annum of maize with a demand of 15 million metric tons, leaving a supply-demand gap of 4.5 million tons per annum, according to data from the Federal Ministry of Agriculture. Maize production has been increasing at a 4% p.a. growth rate. According to a report from SE4All, ~50% of domestic rice production and ~65% of maize production are ground locally by small-scale mills in rural communities without access to grid, powered by diesel/petrol. About 89% of the new rural mini-grid connections will be in settlements which have both maize and rice milling activity. Over 120,000 unelectrified settlements, produce either rice and/or maize.

Milling operations is a highly energy intensive process that generally occur within settlements and contributes the most energy input as well as GHG emissions across the value-chain, mainly due to the high fuel consumption of diesel driven maize and rice mills. The demand dynamics for grains producers, has also changed by the growing market for poultry as the poultry industry is the primary consumer of Nigeria's feed, receiving around 68% of grain production, according to the UN's Food and Agriculture Organisation. Animal Feed accounts for over 70% of the cost of animal production, thereby making it the most important consideration in a livestock business. Nigerian poultry industry contributes 6.0 to 8.0 per cent to the GDP. As of 2019, it's net worth was N1.6 trillion or 25 percent of agricultural GDP, according to the Central Bank of Nigeria.

For agro-productive use appliances to scale in low-income rural markets, there needs to be an ecosystem that connects an end user or entrepreneur with the tools, energy, and financing necessary to realize that business case that will grow the customer's wallet while also increasing revenue to the mini-grid.



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### **INFACREDIT AGRO INFRA SECTOR OBJECTIVE**

To address this market gap, InfraCredit is exploring technical assistance support with its development partners, towards exploring an institutional model for establishing a specialized funding vehicle to facilitate access to affordable equipment for agro-productive use of clean energy by agro-processors and smallholders' farmers from solar mini-grids in unserved communities, through an innovative mix of long term local currency blended finance, aggregating productive asset financing, training and digital based technology thereby expanding rural economies in Nigeria. The agro equipment include Planters, Dryers, Threshers, Rice mill, Dehusker, cleaning facilities.

Accordingly, InfraCredit seeks to strengthen its technical know-how and in-house capabilities in the Agro infrastructure space as we have a growing pipeline of mid-size and large Agro infrastructure bankable projects seeking access to long-term naira debt financing in a bid to support the growth of the agro sector, while creating jobs and improving the rural economy.



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### **POSITION**

Technical Consultant – Agro

### **DIRECT REPORT TO**

Chief Executive Officer's Office

### **ENGAGEMENT PERIOD**

1 Year contract in the first instance and extendable/renewable subject to satisfactory performance

## SCOPE OF WORK

- Advise on the end-to-end post-harvest activities and processing for maize and rice crops
- Advise on the required equipment with respect to type, grade, useful life and output and the use of energy efficient agro equipment as a replacement for the extant fossil fuel agro processing equipment
- Advise on the cost of the energy efficient equipment, the Original Equipment Manufacturer as well as the procurement of the equipment
- Drafting of Terms of Reference for external advisers
- Provide technical inputs in the operating assumptions for a robust financial model
- Provide technical inputs in the deal terms being negotiated and agreed with the prospective clients
- Review all available technical reports, maintenance arrangements, technical design, materials and equipment lists, BOQs etc, as applicable, and comment on suitability to deliver the Project to specification
- Provide technical input in the Infrastructure Risk Matrix with specific reference to the Agro sector
- Support the deal team in the Agro business origination workstream towards expanding the transaction pipeline
- Review of New Business Committee and Credit Papers and support for responses to technical queries from the Credit Committee
- Provide preliminary technical commercial review for onboarded agro infrastructure projects and highlight any key risks or opportunities for improvements on the projects
- Support in the sourcing of external advisers, evaluating external advisers technical proposals and recommending the best firms to engage
- Support in developing a standardized due diligence report template and review the due diligence reports of the external advisers
- Carry out project sites, assets, work in progress, equipment & infrastructure available and comment on asset & equipment

quality, adequacy, performance and remaining/estimated useful life of the project assets. Essentially act as the Lenders' Engineer in each Agro Infra project.

- Review of the procurement contract(s), EPC contract(s), and opine on ability to meet and conform to required/ standard specifications and industry best practices – taking into account operating track record of contractors and any previously completed projects
- Assess and comment on the competitiveness of the proposed pricing versus the cost of accessible alternatives, and opine on the ability of the customers to pay the proposed tariffs/ fees
- Review and evaluate operating and maintenance costs, construction, development and implementation costs incurred, development cost estimates and/or costs to completion. Provide an opinion, based on Consultant's experience, on whether these costs are reasonable, optimal or can be refined
- Comment on management's capacity and existing technical team to operate, execute and deliver the projects to specification over the life of the project
- Carry out requisite project monitoring activities
- Provide support to the ESG/development impact team



## QUALIFICATIONS AND EDUCATION REQUIREMENTS

Candidates for the Agro Consultants' role should meet the following requirements:

- Bachelor's degree in Engineering or related field
- Minimum of 7 years' work experience in Agro sector, focused on agricultural machinery fabrications and installation, extension services, field technical support to farmers or worked as an engineer for agricultural projects like post-harvest storage and processing
- An understanding of infrastructure projects financing and workings of development finance institution

- Proven analytical skills and systematic problem solving, as well as excellent communication and writing skills
- Strong project management skills, and demonstrated commitment to professional and client service excellence
- Experience with multitasking efficiently and accurately with little oversight
- Acute attention to detail and a dedication to providing high quality work products



### KEY PERFORMANCE INDICATORS

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- Timeliness and quality of output
- Number of preliminary reviews conducted on, and technical reports prepared
- Number of due diligence reports prepared by external advisers that have been reviewed
- Number of NBC and credit committee papers for agro projects reviewed
- Quality contribution to structuring Agro transactions in a bid to mitigate risk



[WWW.INFRACREDIT.NG](http://WWW.INFRACREDIT.NG)