

## Scope of Work

<b>Firm or Individual:</b>	Firm
<b>Program:</b>	<b>GIZ DAA2</b>
<b>Scope of Work:</b>	Development of Terms, Conditions, and Legal Web-Based terms for Sprout
<b>Country:</b>	Regional - Africa
<b>From:</b>	<b>April 15<sup>th</sup>, 2023</b>
<b>To:</b>	August 31 <sup>st</sup> , 2023
<b>Task Manager:</b>	Digital Climate-Smart Agriculture and Sprout Platform Lead
<b>Technical Support:</b>	Sprout Platform Product Development Consultant

### Mercy Corps Background

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action—helping people triumph over adversity and build stronger communities from within. Now, and for the future. As a global organization with programs in over 40 countries, we focus much of our advocacy on influencing governments, multi-lateral institutions as well as foundations and the private sector to improve relevant policies, practices and decisions in order to better help vulnerable communities lift themselves out of poverty.

### Program Context

Nearly one and a half billion poor people live on less than US\$1.25 a day. One billion of them live in rural areas where agriculture is their main source of livelihood<sup>1</sup>. An estimated 70 million Small Holder Farmers (SHF) live in Sub Saharan Africa, over half of whom are women<sup>2</sup>.

Smallholders, who typically farm two hectares or less, provide over 80% of the food consumed in a large part of the developing world, contributing significantly to poverty reduction and food security<sup>3</sup>. However, increasing fragmentation of landholdings, especially in infrastructure, coupled with reduced investment support, growing competition for land and water, rising input prices and climate change threaten this contribution, leaving many smallholders increasingly vulnerable.

Given increasing world populations and demand for food, SHFs occupy an important segment of the global agricultural value chain<sup>4</sup>. Multinational buyers will increasingly rely on smallholders to secure their supply of commodities and to help satisfy consumer sustainability preferences<sup>5</sup>.

At an estimated \$450 billion, the global demand for smallholder agricultural finance is large—and largely unmet. Credit provided by informal and formal financial institutions, as well as value chain actors,

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<sup>1</sup> IFAD, Smallholders, food security, and the environment, 2013

<sup>2</sup> IFAD, “Sub-Saharan Africa: The state of smallholders in agriculture”, Schonberger and Delaney 2011.

<sup>3</sup> Peck, Anderson, “Segmentation of Smallholder Households: Meeting the Range of Financial Needs in Agricultural Families”, CGAP Focus Note #85, April 2013.

<sup>4</sup> Dalberg, 2013

<sup>5</sup> Dalberg, 2013



currently only meets an estimated USD 50 billion of the more than USD 200 billion need for smallholder finance in the regions of sub-Saharan Africa, Latin America, and South and Southeast Asia<sup>6</sup>. Impact driven smallholder agricultural lenders, currently satisfy less than two percent of the demand.<sup>7</sup> The volume and value of savings, lending and payment transaction SHFs in most African countries is not specifically measured.

Mobile phones are a powerful tool to access the electronic national retail payments system and enable vast numbers of clients to use a range of financial and informational services at lower cost. In agriculture, progressively more services are being delivered via mobile phone. Applications now deliver direct specific, timely information on agricultural production methods to farmers through their mobile phones. Moving beyond one-to-one communication, there are internet- and SMS-based services that allows farmers to access inputs; access price information on different crops and provides a platform for smallholders to collectively sell crops and buy inputs, thereby lowering costs and accessing new markets.<sup>8</sup>

We believe that digital innovation can revolutionize the way smallholders farmers feed the world, that's why, based on years of learning and iterating, we built the AgriFin model to facilitate that process.

Launched in 2012, AgriFin's primary target group is un-banked smallholder farmers living on less than USD 2 per day. Mobilizing a vast network of partners, AgriFin ensures that the needs of farmers inform the design of partner products and services. Our shared global context is challenging – climate variability and population growth present unprecedented challenges. Yet, our experience tells us that farmers are determined to beat the odds.

With access to the right tools, smallholder farmers can build the resilience they need against climate and emergency shocks, and continue to feed their communities. We know that government and private sector partners are best suited to deliver those tools, and that technology is a critical accelerator. Our aim is to connect smallholder farmers to products and services that increase their productivity and income by 50%, with a 40% target population of Women and Youth.

### **Mercy Corps AgriFin: GIZ #SmartDevelopmentFund Overview**

The challenges in agriculture in Africa, particularly for the smallholder farmers producing 80% of its food for consumption, are complex, and no single solution exists to reverse age-old issues around markets, infrastructure, poverty and exclusion. Digital solutions can provide relatively low-cost solutions that reach scale quickly, open new markets, and surpass the traditional brick-and-mortar approach to customer acquisition and the distribution and sales of products and services. Over the past five years, AgriFin has worked both to build capacity of fintech and agtech innovators to scale and also worked to broker partnerships for them onto larger digital platforms, typically hosted by banks, mobile network operators, large agricultural enterprises and government. Digital platforms are evolving as drivers for impact and viability in delivery of key services for agriculture and also for scale up of young, breakthrough technology providers. Digital platforms can host multiple service providers, working to offer “end to end” services to

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<sup>6</sup> MasterCard Foundation, “Inflection Point: Unlocking growth in the era of farmer finance”, April 2016

<sup>7</sup> Dalberg, 2013

<sup>8</sup> Peck, Anderson, “Segmentation of Smallholder Households: Meeting the Range of Financial Needs in Agricultural Families”, CGAP Focus Note #85, April 2013.



drive transformation in agricultural markets and impact for smallholders, while decreasing risks and increasing revenue models for fintechs, agtechs and other market actors.

Drawing on Mercy Corps' experience implementing the AgriFin Mobile, AgriFin Accelerate and AgriFin Digital Farmer programs, GIZ has engaged Mercy Corps to understand how young technology innovators can be supported in scale and operational viability by engaging with emerging models of digital platforms. The GIZDigital Agriculture Africa Phase 2 is a six-month, €1,300,000 initiative to work with a cohort of partners in Kenya and Nigeria to develop digital solutions that address challenges in the agriculture sector especially brought about by the Covid 19 pandemic. The COVID-19 pandemic has drawn attention to the complex fragility of many countries, highlighted most clearly in the interplay of public health, markets and food systems. Early warning signs are emerging that the continent is on the brink of an unprecedented food security crisis. In Kenya it is estimated that there are sufficient strategic reserves for three months, but disrupted food systems, logistics and evidence of food hoarding may shorten that timeline, particularly as the largest desert locust invasion in 70 years.

The World Bank estimates that the COVID-19 pandemic is likely to push upwards of 115 million into extreme poverty and set back poverty reduction by around three years. The primary risks to food security at the country level include: disruptions in domestic food supply chains, other shocks affecting food production, and loss of incomes and remittances that have created strong tensions and food security risks in many countries. A number of countries are experiencing varying levels of food price inflation, at the retail level, due to measures taken to combat the spread of COVID-19. Higher retail prices, combined with reduced incomes, mean more and more households are having to cut down on the quantity and quality of their food consumption, with potentially lasting impacts on nutrition and health. The U.N. World Food Programme has warned that the number of people at risk of encountering acute food insecurity will come close to doubling at the end of the year, from the initial 135 million currently facing acute hunger.

### **Purpose of Engagement**

The purpose of the legal consultancy services is to have the contractor review current Sprout Website (Service) Terms and Conditions and Policies and develop/update the same for Sprout current and near term operations.

### **Scope of Work**

Background:

Sprout ([sproutopencontent.com](http://sproutopencontent.com)) is a Business to Business open content agriculture platform that offers the ability for content creation organizations (CCOs) and content services organizations (CSO) to offer digital ready, farmer friendly content and services to Farmer Facing Organizations (FFOs) to offer to their smallholder farmers.

The Sprout organization and its technical platform plays the role of convener, transformation of content (not always but often), simplifying access and lowering the cost of access to the content and services in a



variety of ways. Sprout is a project of Mercy Corp Agrifin Program and is primarily funded by GIZ at this time.

It is Sprout's goal to make the terms as easy and simple as possible. The output should be a CLICK to ACCEPT terms, requiring NO other agreements for use unless there is a fee associated with the service (near future). Even in this case, the agreement should allow click to accept for pricing of certain goods and services similar to how Google, MSFT Github and others operate.

The consultant shall:

- Review Sprout current and near term operational plans to develop an understanding of its user base, legal standing and services it offers.
- Review and update accordingly the existing terms and conditions and make recommendations for evolution of those to ensure Sprout, as a project of Mercy Corps Agrifin Program, Mercy Corps Agrifin Program and its user base are well-informed and protected. this includes but is not limited to:
  - Privacy [Terms](#)
  - Terms of [Use](#)
  - Acceptable [Use Policies](#)
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### Deliverables & Deliverable Schedule

Deliverable #	Deliverable Description	Deliverable Estimated Completion Date
1	A report detailing an overview of issues and risks and general recommendations on next steps for Sprout; based on the consultant's review of the Sprout Product/Service Roadmap and Current operations as well as Mercy Corps Legal status	5/15/2023
2	Submission of Draft updated/new terms and conditions for website/operations.	6/15/2023
3	Submission of final version of updated/new terms and conditions for website/operations.	7/15/2023

### Required Qualifications



- Demonstrated extensive and relevant legal experience, including advising digital platforms on the issues of appropriate terms and conditions, privacy, policies, online contracts, and other typical issues arising in online operations.
- The proposed lead consultant/partner should have a minimum of Bachelor of Law (LLB), A post graduate Diploma in Law from Kenya School of Law and be an advocate of the High court of Kenya.
- The firm and the lawyers must possess necessary registrations, licenses, examinations, and membership. This includes membership in good standing of the Law Society of Kenya with a current practicing license(s).
- Immaculate reputation among peers and clients for high quality legal advice and ethical operations.

#### **Ownership/Control of Work Product/Publication**

Matters relating to ownership and control of work product and publication of materials produced during the course of this engagement are addressed in the main contract agreement entered into between Mercy Corps.

#### **Authorship and Acknowledgement**

Matters relating to authorship and acknowledgment of any materials produced by the consultants during the course of this engagement are addressed in the main contract agreement entered into between Mercy Corps and the Consultant for performance of services for AgriFin programming.

#### **Task Manager/Coordination/Reporting**

Task Manager , Digital Climate Smart Agriculture and Sprout Platform Lead.

#### **Payment Terms and Schedule**

Payment will be made based on deliverables submitted as per the deliverable schedule. Payment will be made upon regular invoicing against satisfactory delivery and acceptance of services rendered as a result of this consultancy.