**SCOPE OF WORK FOR SCALE UP AND EXPANSION OF AN EXISTING SUDANESE DIGITAL E-MARKET PLATFORM DIRECTLY PROMOTED IN SOUTH KORDOFAN, BLUE NILE AND GADAREF STATES.**

**SOW Objective**: **To enable the scale up and expansion of an existing Sudanese digital platform that connects farmer to business (F2B) and business to business (B2B) markets.**

The program will scale up the outreach and work to further improve functionality of the selected e-market platform. The needed platform is a digital farmer-to-business (F2B) and Business-to-business (B2B) market solution that brings together individual farmers, farmer cooperatives, small scale and medium scale rural agriculture produce aggregators, and large-scale buyers. The platform will provide farmers and farmer groups with a channel to communicate to buyers the available agricultural produce for sale and preferred price. The traders on the other hand will communicate the required products, standards/quality demanded, quantities, and when the products will be required. The platform will also be used to provide other market information such as price trends and could also be expanded to improve access to inputs and tillage services among others.

**Key activities: Support and strengthen a digital eMarket platform to better serve the needs of farmers, pastoralists, and agribusinesses.**

**Project Location**: South Kordofan, Blue Nile and Gadaref States.

1. **Introduction:**

Sustainable AgriFood Systems Approach for Sudan (SASAS)’ program aims to promote gains in food security and livelihoods through a demand-driven approach, with locally appropriate value chains developed in a co-creation process with communities and organizations. SASAS will deliver a range of activities to engage private and public sectors to create demand-pull agricultural development, induce technology change and sustainable value chain development. The project is funded by USAID

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1. **Purpose / Project Description:**

The SASAS program’s overall goal is to reduce vulnerability, increase income and food security of small-scale farmers and herders. This program is not implemented through an approach which is based on buying and distributing goods and services to its beneficiaries. It is being implemented through an approach which seeks to improve the way the agribusiness companies and institutions in the agricultural value chain market operate and engage with their customers to ensure farmers are better served.

This approach aims to support these agribusiness companies and institutions which buy products from or provide goods and services to farmers to enable them to expand their outreach to farmers and adapt the way they work with them so that more farmers receive better services. In doing this, the program will facilitate long term development of the agricultural market systems resulting in greater benefit to all parties involved in the system.

1. **The need for a digital e-market Platform:**

South Kordofan, Blue Nile and Gadaref states are among the top rainfed agriculture production states in Sudan. The most purchased agricultural products are sorghum, sesame, groundnuts, gum Arabic, millet, cowpeas, hibiscus, and a variety of seasonal vegetables. Most of the agribusinesses which buy agricultural produce (crop yields) in and around these states do not have direct produce buying business points in the villages where farmers are located. Only small and medium buyers operate at the village and locality level respectively.

As a result, farmers either (1) must travel long distances to reach main markets to sell their crops yields, or (2) sell their produce to middlemen who may pay a lower price. At the village level, some of the small-scale crop yield buyers buy directly from farmers' homes, through agents, from small weekly markets or when farmers bring the produce to their shops. The major crop yield buying companies and small-scale businesses at village level who want the crop yield also are not aware of the specific producers or the quantity and quality of the yields they have for sale. This may increase their cost of doing business since they have to put more effort in searching for and aggregating the crop yields.

The key players in the produce market are however interested in having (1) better quality and increased quantity of agricultural produce, (2) efficient produce buying market structures (3) reduced transaction costs to increase profitability for themselves and farmers. Additionally, in some cases the companies which sell seeds, livestock fodder and other inputs have limited access to farmers in villages. As such farmers knowledge about the various types of improved seeds available and their benefits may not be widely understood. There could be a possibility of the eMarket platform addressing this knowledge gap for farmers and seed suppliers.

Specifically, the main constraints faced by smallholder farmers and businesses while taking part in the produce markets can be summarized as follows:

* Smallholder farmers have limited money to transport products to bigger markets and bigger buyers for better prices.
* Limited ability of female farmers to travel to bigger markets to get better prices because of cultural norms, insecurity, lack of connections and access to capital.
* Many farmers with small quantities of yields are scattered in large areas thereby making it uneconomical for big companies to buy directly from them, hence missing better prices.
* Limited information flow between farmers and produce buyers on aspects such as pricing, quantities, and type of agricultural products available or demanded.
* Limited negotiating ability of small-scale farmers due to lack of knowledge of market prices.
* Reduced ability of small-scale farmers and buyers to travel during the rainy season to sell or buy crop yields due to poor often impassable roads and bridge conditions. Further, storing crop yields is not always possible due to limited storage points in rural areas.
* Limited knowledge on the types, prices, and characteristics of the different types of improved seeds and tools on sale.
* Farmers have limited knowledge on tractor availability for ploughing at the beginning of the season or other equipment such as harvesters and threshers hence delaying operations.
* Limited production and marketing records of small-scale farmers which would have served to attract the bigger companies to engage more directly with farmers.
* Limited information from crop yield /produce buying companies about the quality and standards they require. This would have guided farmers to manage quality at production, harvesting, threshing, cleaning and storage stage.

To alleviate these challenges, in 2022, Mercy Corps supported a company to establish an e-market platform which offered USSD, SMS and smart phone features. This functionality of this platform has expanded to cover additional features because of the foreseen opportunities.

1. **Statement of Opportunity for digital e-market platform provider:**

This is an opportunity for an e-market provider with an existing platform to further develop and expand the functionality and geographic reach of their solution to better serve farmers, buyers, and agribusinesses to address the above listed challenges and more.

This platform is meant to increase the linkages between buyers and sellers of crop yields, input and output providers, and should be further designed to increase functionality to meet the needs and local context of the farmers and businesses. Innovative strategies, including those clearly targeting women and youth to expand/increase their interaction with and use of the e-market platform is strongly encouraged.

The digital eMarket platform is envisioned to provide the following benefits:

1. Provide farmers and farmer groups with a channel to communicate available commodities for sale to traders and agricultural produce/yield buying companies. This channel should be available to feature phone and smartphone users.
2. Provide traders and agricultural producer companies with information on available agricultural commodities and preferred pricing for the produce by the farmers and farmer groups.
3. Provide farmers, traders, and agricultural producer companies with market price information of various agricultural produce across selected geographical regions.
4. Provide initial communication channels between buyers and sellers of agricultural produce to reach agreement on price, quality, and delivery modalities.
5. Provide information to farmers and farmer groups on expected quality and demand for agricultural produce.

Additionally, functionality considered can be expanded to include but not limited to the following:

1. Provide farmers with information on the types of improved seeds and tools for sale by different companies.
2. Provide farmers with a means of booking and hiring tractors and other equipment for ploughing, harvesting and threshing services.
3. Provide advisory services. For example, tips and educational material on improved practices for crop/livestock health.
4. Insurance products
5. Weather information

**Note: the e- Market platform belongs to the company which developed it, and this company should have a plan to commercially sustain and keep improving the platform. Mercy Corps’ role will be to provide funding could be used for improving functionality, expansion and scaling of the platform, technical support, and linkage to farmers.**

1. **Proposed activities to be carried out by the selected digital eMarket provider:**

The company selected by Mercy Corps to expand functionality and increase participation on the digital eMarket platform for farmers and buyers is expected to conduct the following activities in collaboration with Mercy Corps:

1. Develop and or expand functionality and increase usage of the existing digital e-market platform customized to the technological and cultural needs and context of farmers, traders, and agricultural companies. **The company should specify which additional functionalities need to be added if any. Cost should be broken down by each new/proposed functionality and any other items bundled under this,**
2. Hold meetings with other SASAS project partners and private sector companies to determine if synergies exist. (Mercy Corps has entered or is in the process of entering into agreements with companies such as seed companies, produce buying companies, and banks/ MFIs to promote development of the agriculture sector and increase productivity of male and female smallholder farmers. These partnerships complement each other and improve outcomes for business and farmers. The provider of the eMarket platform can ride on these partnerships and the structures created on the ground to recruit users on the e-Market platform.)
3. Publicize and promote new functionality via short codes for accessing the service and deploy the service to farmers, farmer groups, traders and agricultural produce buying companies through means such as meetings, sensitizations, promotions, advertisements etc.
4. Provide ongoing support to the platform and implement improvements to increase adoption and uptake by targeted audiences.
5. Provide a feedback mechanism for users of the platform to respond to their questions and the overall user experience.
6. Provide reporting and analytics showing participation numbers by age, gender, feature, time of day, etc.
7. **Outputs from activities carried out by the eMarket platform provider:**
	1. A functioning digital platform with improved capabilities which better connects buyers, traders and produce buying companies and possibly seed companies and tractor tillage, threshing and harvesting serve providers by August 30, 2023.
	2. Meetings with agreed upon SASAS project partners to be accompanied by a 1–2-page summary report to determine possible benefits of platform inclusion. Completed by September 15, 2023.
	3. At least 2,000 farmers, 20 small-medium traders and 5 agricultural produce buying companies registered and using the platform to buy and sell agriculture products by end of October 15, 2023.
	4. A commercially sustainable e-market platform by December 15, 2023.
	5. A report showing platform usage by different categories of market players (farmers, traders, service providers, services accessed, trends etc).
8. **Support from Mercy Corps for the listed activities:**

To facilitate the listed activities, Mercy Corps will:

1. Meet up to 70% of the cost of the budget for undertaking the activities and the company is expected to meet the 30%
2. Provide guidance when requested by the company or deemed necessary.
3. Provide the forms which Mercy Corps deems necessary for recording progress.