

**REQUEST FOR EXPRESSIONS OF INTEREST
FROM CONSULTING FIRMS
(GOAE Trading Limited / Go Africa LLC)**

1. The **GOAE Trading Limited / Go Africa LLC** has received a Grant from the African Development Bank and intends to utilize part of this Grant towards the cost of the following Assignment: **Cashew processing Plant in Nigeria**. The services to be provided under the Assignment include:
 - a. Project preparation activities,
 - b. Feasibility studies: Technical, Marketing, Financial Technical, Marketing, Financial and an Environmental and Social Impact Assessment
 - c. to enhance the bankability of the proposed project
2. **GOAE Trading Limited / Go Africa LLC** invites Consulting Firms to indicate their interest in providing the above-described services. Interested Firms shall provide information (documents, reference to similar services, experience in similar assignments, etc.) on their qualifications and experience demonstrating their ability to undertake this Assignment. In case of a Joint Venture (JV), a full name of the JV and the names of each member as in the submitted Expression of Interest shall be used.
3. The eligibility criteria, the establishment of a short list and the selection procedure shall be in conformity with the African Development Bank's Procurement Policy for Bank Group Funded Operations, approved by the Bank's Boards on 14 October 2015, and available on the Bank Website at <http://www.afdb.org>. Please, note that interest expressed by a Firm or JV does not imply any obligation on the part of the Grant Recipient to include it in the shortlist.
4. The estimated duration of services is 4 months and the estimated starting date is July 20, 2019.
5. Interested Consulting Firms may obtain further information at the address below during official working hours: [9am -5pm]. The respective Terms of References (TORs) can be requested via e-mails or accessible at www.afdb.org and www.devbusiness.com
6. Expressions of interest must be received at the address below no later than June 30, 2019 at 5pm local time and specifically mentioning: **Cashew processing Plant in Nigeria**

For the attention of: Dr. Dennie M. Beach
GOAE Trading Limited / Go Africa LLC
Mulliner Towers, 7th floor, 39 Alfred Rewane Road Ikoyi,
Town: Lagos, Country: Nigeria
E-mail: Dbeach@goafricallc.com
Tel: 646-838-1330 Ext 809 or Phone +234 014489282 (Nigeria) Fax: 1-917-979-6898

GOAE Trading Limited / Go Africa LLC

TERMS OF REFERENCE

CASHEW FEASIBILITY STUDY

CONSULTANCY SERVICES FOR

Feasibility Study for;
1. Technical, 2. Marketing, 3. Financial and 4. Environmental Social Impact
For *Cashew processing Plant in Nigeria* Project

June 13, 2019

GOAE Trading Limited / Go Africa LLC

GOAE Trading Limited / Go Africa LLC seeks submissions from qualified consultants to complete project preparation studies under a partnership with the African Development Bank. These terms of reference constitute Component 1 of the required studies and comprise:

- a) Technical Feasibility Study
- b) Marketing Feasibility Study
- c) Financial Feasibility Study
- d) Environmental Impact Assessments

1. Background

GOAE Trading Limited / Go Africa LLC and its affiliates (the “Company”) GOAE Trading Limited / Go Africa LLC seeks to develop world class commodities processing facilities as well as a trading platform that provide the most transparent, efficient, and cost-effective supply chain ecosystem that delivers the best African products to customers (commercial, wholesale and retail) all over the globe.

GOAE Trading Limited / Go Africa LLC intends to expand its Cashew nut processing operations via the development of Cashew processing Plant in Nigeria (the “Project”). The Company deals in the production and processing of cashews, coffee, cocoa, teas, and nuts for retail and wholesale sales and consumption.

In order to pursue the policies of Federal Government of Nigeria for maximizing local production and reducing the country’s dependence on imports, the Company plans to invest massively in backward integration including development of proposals to increase cashew production methods and best practices in order to boost the local production.

The Company is currently looking forward to expand its local production in Nigeria as follows:

- Increase its farming capacity for *Cashew production*;
- Training and best practices for continued development;
- Setting up a Processing plant with higher capacity to boost output.

The Company is now in the process of raising debt capital to finance the capital expenditure requirements for the Project.

2. Objectives of the Study

The Company has positioned itself to launch a business that will improve local production of Cashews & Cashew by-products and the objective of this assignment is to investigate and report on Technical, Marketing, Financial & Environmental Social Impact feasibility, with an independent view of the Company’s capability to execute the business plan.

This will involve a detailed review of the Company’s existing assets, technology, business operations as well as a review of the forecast of the future capital expenditure and operating expenditure needed to support the expansion and overall business plan. The Consultant will be required to visit the Company’s offices and farm sites, interact with the operational teams and

confirm the robustness of business model and assumptions with regards to the revenue and capital costs forecasts.

The overall goal of the preparation studies is to provide expert knowledge on the target location to enhance the bankability of the *Cashew processing Plant in Nigeria* Project.

The specific objectives of Component 1 of the preparatory studies are:

- i. Carry out a detailed Technical Study of the design of the project along with the cashew processing equipment selected.
- ii. Undertake a Market feasibility study in order to evaluate the demand of Cashews & Cashew by-products in Nigerian Market in order to determine the capacity of production being proposed.
- iii. Evaluate the Financial model prepared for the *Cashew processing Plant in Nigeria* project by the company and develop a bankable financial model. Inclusive with projected earnings for next 5 years inclusive of payback schedule for potential investors
- iv. Undertake the Environmental impact assessment studies at all the locations where GOAE Trading Limited / Go Africa LLC Resources proposes to expand its project namely Lagos State.

3. Scope of Work

The Consulting Services to be provided for the study will, inter alia, cover:

3.1 Detailed Technical Study

A. Detailed Assessment and Review of Existing and Proposed Facilities and Infrastructure

- a) Review the existing and proposed facilities and infrastructure, and recommending the capacity and quality of the infrastructure required for the Company's future business plan including:
 - I. Plant and equipment required to meet the Project's objectives:
 - Processing equipment;
 - Handling equipment;
 - Storage equipment;
 - Packaging equipment;
 - II. Requirements for Buildings, Civil Works, etc:
 - for Cashew Processing plant;
 - Utilities;
 - Office, warehouse/ storage facilities, workshop, etc.;
 - Drainage, walkways, sewerage, etc.;
 - III. Provision of appropriate Utilities:
 - All utilities including electricity, water, steam, ventilation;

- Waste management and appropriate effluent treatment facilities;
 - Communication;
 - Transportation;
- b) Review the proposed production technologies in line with the overall business plan;
 - c) Following review of (a) and (b) above, make proposals on additional equipment or machinery required to achieve the projected production output;
 - d) Comment on the age, useful economic life and efficiency of the facility;
 - e) Undertake a detailed review the Company's existing and proposed outputs to determine if the Company has the capacity to deliver the projected output based on capital outlay;
 - f) Assess raw material requirements for the construction of the facilities;
 - g) Assess raw materials for day to day production;
 - h) Assess spare parts and maintenance requirements;

B. Detailed review of the projected capital costs

- a) Review and opine on the capital costs of the planned expansion plan and time required to complete the Project;
- b) Prepare a comprehensive technical risk analysis of the proposed capital expenditure projects, including an analysis of the required contingencies incorporated in the project Budget;
- c) Technical appraisal of the proposed equipment to verify that the conceptual design meets the desired outputs and Company goals;
- d) Review and opine on the adequacy of budget contingencies;

C. Production strategy and management

- a) Determine whether output levels projected based on the intended capital investments are reasonable and attainable;
- b) Comment on the Company's existing production methods and proposed production technologies to be utilized;
- c) Comment on the Company's execution plan for the Project
- d) Opine on the viability and sustainability of the outgrowing farming model currently in place and the proposed plans;
- e) Comment on existing and proposed quality control and bio-security practices in place. Indicate improvements that may be considered necessary;
- f) The Consultant shall also identify issues and risks likely to threaten the operational sustainability of the Project and recommend ways of minimizing the effects of such risks on the operations of the Project;

D. Review of Technical Capabilities of the staff

- a) Review the technical staff capabilities of the Company and comment on their ability to carry out specified tasks as detailed;
- b) Review the management and organizational structure of the Company and comment on the staff adequacy of the existing staff and future needs of human resources;

E. Permitting process

- a) Ascertain and report on the technical and regulatory appropriateness of existing approvals, consents and permits which the Company already has in place and advise on any additional approvals that may be required.

3.2 Market Study

The Consultant is required to undertake a detailed assessment of the Nigerian Cashew and nut agriculture sector in relation to The Company's business. The Consultant's study should comprise of a review of specialist research of relevant industry prospects, expected trends, competitor information and economic data, discussions with the Company's personnel and the Company's own records and data sources as available.

The market report should include market size and key industry trends, growth drivers and opportunities, customer segments and their evolving needs, a regulatory analysis, impact of evolving technology and the competitive environment. The aim of the report will be to examine and address the following critical questions;

- What are the market dynamics; size, trends and structure?
- What is the Company's current market position and market share?
- How does the Company compare with its competitors – SWOT?
- What are the growth drivers and opportunities?
- How does government policy affect the Company's long term plans?

The Company will provide a detailed plan regarding their distribution/marketing strategy. The Consultant will be required to opine from an independent point of view on the feasibility of the proposed marketing plan in light of current demand and any anticipated developments in the market. To achieve this, the Consultant is required to undertake the following:

1. Assess present marketing and pricing arrangements, marketing costs/fees, principal customers, and the marketability of the company's products, taking into account quality and volume;
2. Opine on the Company's marketing strategy and proposition;
3. Assess current and proposed markets;
4. Compare the Company's marketing plans with similar companies, under similar circumstances in other jurisdictions;
5. Review the portfolio of intended service offerings and compare their value with similar products in the market;
6. Estimate current market share and competitor profiles (including strengths and weaknesses)
7. Estimate current demand and forecast future demand;

In addition to a detailed section on the above listed items, the market report should also include but not be limited to the following;

1. Overview of the Nigerian cashews and nut Agriculture Sector
 - i. Historical Overview;
 - ii. Recent Developments and forth coming developments;
 - iii. Market Segmentation;
 - iv. Market size and growth prospects;
 - v. SWOT Analysis;
2. Cashew Market
 - i. Introduction and statistical overview;
 - ii. Market analysis - recent developments, demand/supply gaps;
 - iii. Market economics (asset structure, cost structure and profitability);
 - iv. Market penetration strategy;
 - v. Key trends in competitive landscape (profiles, strengths and weaknesses of key competitors);
 - vi. Profiles of key players
 - Pricing strategy of key players;
 - Business strategy of key players;
 - Marketing Strategy of key players;
 - Operational Strategy of key players;
3. Industry Forecasts - Cashew Consumption & production (2017-2023):
4. Regulatory Environment
 - i. Existing standards & specifications for agriculture products;
 - ii. Key regulators;
 - iii. Regulatory requirements;
 - iv. Outlook for regulation;
5. Key Success Factors
6. Management Overview
 - a. Review of agriculture experience of key management staff; and
 - b. Board strategy and medium term plans
7. Critical Risks and Mitigants

3.3 Financial Feasibility Study

Review and opine on the Financial Model prepared for the expansion of the capacity in light of the company's current position and expected commercial developments in the Cashew sector:

- a) Historical Financial performance of the company
- b) Validity of the inputs/assumptions used in the financial model with a particular focus on revenue, margins, capex, maintenance, variable and fixed costs;

- c) Reasonableness and adequacy of parameters of the financial model sensitivity scenarios;
- d) The adequacy of the working capital, major maintenance requirements, inventory, projected operating budget for the expansion and other relevant technical aspects that should be considered in the financial model;
- e) Develop the Financial model to a bankable proposal

3.4 Environmental Impact Assessment

The Consultant is also required to act as an independent environmental and social specialist that will carry out an Assessment of the Project with the following objectives:

1. Conduct a detailed review of the Project planning process and documentation for the proposed development site for the cashew processing facility;
2. Conduct an Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) and required stakeholder engagement plan;
3. Identify areas of non-compliance with the International Finance Corporations (IFC) Performance Standards on Environmental and Social Sustainability (2012) and applicable World Bank Group Environmental, Health & Safety (EHS) guidelines (“Applicable Standards”) and where applicable comment on whether deviation from the Applicable Standards (that are not legal requirements) is justified;
4. Identify remedial actions and provide timelines and recommendations for further work to be undertaken to comply with the Applicable Standards;
5. The Consultants shall determine/assess the environmental impact of the Project, with emphasis on the following:
 - land usage and sustainability of cashew processing activities in relation to:
 - Sustainable agronomic practices and integrated pest management;
 - Effective and responsible use of vaccines and medicines;
 - Water use, depletion and impact on soil;
 - Collection, treatment and disposal of all solid and liquid wastes;
 - Any other issues of environmental concern identified;
6. The Consultant shall determine the social impacts of the project and make proposals for mitigation of any negative impacts with emphasis on the following:

Safety and Health

- Identify safety and health hazards associated with the project and make proposals for their mitigation with special attention to hazards introduced by generated wastes and by-products;
- Propose measures to secure the good health of the communities and recommend any necessary facilities to be provided by the government or the Company;

Employment

- Identify and evaluate opportunities for job creation consistent with economic viability:
 - Directly through production of cashew and cashew by-products;

- Indirectly through further processing/marketing of cashews and cashew by-products;

4. Deliverables

- i. A detailed work plan for the execution of this component
- ii. A comprehensive report on the four separate assignments are:
 - Technical report on the Plans and Equipment selection
 - Detailed Market study report on prospects of cashew nuts production in Nigeria
 - Detailed Financial model with Balance Sheets and Cash Flows
 - Environmental Impact Assessment reports

5. Duration

The assignments under this component are to be completed within a maximum of 4(four) months after the date of signing the contract for execution. The duration of the consultancy is July 12, 2019 – October 31, 2019

6. Team Composition and Qualification Requirements for Key Experts

6.1 Team Composition

The key experts for the assignment are:

- Team Leader (with experience in managing similar assignment with similar scale particularly in the West African sub-region)
- A Technical Expert experienced in Cashew and/or nut processing projects
- A Team of consultants to undertake the marketing strategy.
- A Financial expert with minimum ICAN qualification
- Environmental Expert

6.2 Other competencies

6.2.1 Core values

The Consultant must :

- Demonstrate integrity and fairness by modelling values and ethical standards of his/her profession;
- Display cultural, gender, religion, race, nationality and age sensitivity and adaptability.

6.2.2 Core competencies

- Demonstrates professional competence to meet responsibilities and post requirements and is conscientious and efficient in meeting commitments, observing deadlines and achieving results;
- Communication: Excellent communication skills, including the ability to convey complex concepts and recommendations, both orally and in writing, in a clear and persuasive style tailored to match different audiences;
- Team work: Ability to interact, establish and maintain effective working relations with a culturally diverse team;

- Client orientation: Ability to establish and maintain productive partnerships with national partners and stakeholders and pro-activeness in identifying of beneficiaries and partners' needs, and matching them to appropriate solutions.

6.2.3 Required Skills and Experience

- Key members of the consulting team should have at least a university degree and professional qualification in one of the following directly related field(s): environmental sciences, Mechanical or Electrical engineering, Business Administration and management, Chartered Accountant or other fields relevant for the task. An advanced degree would be an advantage.

6.2.3.1 **Team Leader** (at least 15 year experience as a project manager)

- Experience as a project manager in all green/brown field project phase (feasibilities , design, tender procurement and construction)
- Extensive experience in West Africa
- The Team leader should have at least five or more years of relevant experience leading teams in similar assignments in one or more of the key sector(s)/ theme(s) relevant for consultant's tasks in Africa. An international experience would be an added advantage.
- References and publications on issues and topics relevant for consultant's tasks would be considered as an asset.
- Good knowledge of the project area and experience related to cashew and nut processing field in West Africa at similar scale would be preferred.
- Good understanding of environmental and biodiversity situation in Nigeria would be an advantage
- Excellent command of English Language

6.2.3.2 **Technical Expert** (at least 10 years' experience)

- Specialization in CASHEW processing and facility development
- Agricultural Project Evaluation and Feasibility studies (green field projects)
- Project Management
- Experience in AutoCAD for design, drawings and renderings for nut production facilities
- Financial modeling for viability or the proposed operations along with projected earnings for next 5 years inclusive of payback schedule for potential investors
- Experience preparing accredited and certified training manuals and customized course material for emerging market countries
- Experience as a Mechanical/Electrical Engineer/Agri Science
- Extensive experience in Africa

6.2.3.3 Marketing Consultant (at least 5 years' experience)

- Specialization in Business and Marketing
- Prior experience in Market Evaluation and Feasibility studies for cashew and nut production
- Prior Industry experience
- Graduate/Post Graduates in Marketing and Business Administration

6.2.3.4 Environmental Expert (at least 5 years' experience)

- Specialization in conducting Environmental and Social Impact assessment of cashew and nut production projects.
- The consultant accredited with Federal Ministry of Environment in Nigeria or similar equivalent from a West African country.
- Graduate/Post Graduate in any discipline but with prior experience in EIA studies

7 Reporting

Over the period of execution, the consultant is expected to submit the following reports at the within the time schedules indicated:

Report Type	Content	Time Schedule
1. Detailed Work plan	A Gantt chart indicating detailed tasks/activities to be carried out for each assignment under this component	1 week after signing contract
2. Activity Report	Report on completion of key activities agreed in the work plan	Monthly
3. Assignment Completion	Report on completion of each assignment under this component	Completion of assignment
4. Draft report on Component	Final report of all four components	14 weeks after contract signing
5. Final Report on consultancy	Revised report after incorporating feedback from <i>GOAE Trading Limited / Go Africa LLC</i>	4months after contract signature

The final report will be submitted in (3) three hard copies and (2) soft copies. All reports should be submitted in English Language.

