**Request for Application (RFA)-C302**

**Stimulating Private Sector led animal health service delivery system in RiPA program Area**

1. **Background of the project**

Resilience in Pastoralist Area-North (RiPA-North) is a five-year USAID funded FtF program that aims to improve the resilience capacities of households, markets and governance institutions across 22 woredas in the Somali, Afar and Oromia regions. The program has four technical themed Components with targeted activities integrated across intervention geographic areas. These components are:

1. Improved Disaster Risk Management (DRM) Systems and Capacity.
2. Diversified and Sustainable Economic Opportunities for People Transitioning out of Pastoralism (ToPs) particularly youth and women.
3. Intensified and Sustained Pastoral and Agro-Pastoral Production and Marketing
4. Improved and Sustained Nutrition and Hygiene Practices

In addition gender and social cohesion are embedded in all the above four components of the program as a cross cutting intervention. RiPA is implementing the following Market Systems Development (MSD) approach, to stimulate sustainable, systemic change on a large scale. This will involve multiple partnerships with private sector and government actors. Thus, Intensified and Sustained pastoral and Agro-pastoral production and marketing component of the program planned to facilitate intervention to catalyze private sector led animal health service delivery system through co-investment with private partners.

1. **Objective of Call for Applications**

The objective of this call for applications is to ***catalyze private sector engagement in animal health service delivery to improve access to and uses of the service*** on a large scale**to** pastoral and agro pastoral communities in the RIPA program area.

RIPA is welcoming applications from existing Private Veterinary Pharmacies (PVPs) and Private veterinary Clinic service providers who are interested to expand their business through capacitating and networking of Community Animal Health Workers(CAHWs) and new veterinary science graduates to create a better access and quality service at scale to last ile/ pastoral and Agro-Pastoral communities.

1. **Program Target areas**

Mercy Corps are open to receive applications from PVP and Private Veterinary Clinic (PVC) businesses operating in the following RiPA program targeted woredas and/or existing in the adjacent woredas who interested to expand their business/market to RIPA target woredas in the target region regions:

**Oromia Region**:

* **East Hararghe Zone**: Babile and Gursum Woredas
* **West Haraghe Zone**: Mieso and Gumbi Bordede Woredas

**Somali Region**

* **Jarar Zone:** Degahabur Woreda
* **Siti Zone:** Afdem, Dembel, Erer, Shinile and Mieso Somali
* **Fafan Zone:** Babile, Gursum, Awubare, Kebribeyah, North jijiga (Shebele)

**Afar Region**

* **Zone 1:** Mile, Dubti, Asayita, Afambo and Chifra
* **Zone 3:** Gewane and Amibara

Following a rigorous evaluation process, **partnership** agreements will be set with selected companies/business based on the criteria described below. If the proposed activities require financial investment, the business company will be expected to leverage co-investment (in-cash or in-kind) for the implementation of the envisioned activities.

1. **Eligibility Criteria for application**

 Mercy Corps is interested to solicit operational ***PVP and PVC*** who fulfill the following ELIGIBILITY criteria for the co-investment to support their business expansion or growth to reach program target beneficiaries:

* Operational PVP/PVC providing services for communities in the program targeted areas.To the minimum, the applicant should be in operation of the business for at least six consecutive months before the date of the application in and/or around RiPA targeted woredas;
* Should be legally registered under Ethiopian law and should have renewed business licenses;
* Committed and have the financial means and other needed resources (drug store and full time employed staff) to implement proposed business ideas. The actual financial contribution expected to be co-financed will be dependent on the nature of the proposed business but for those investment that related to own PVP or PVC expansion, minimum contribution expected will be 50% of the total investment and for those activities proposed to build the capacities of CAHWs and graduates as business partners through creating networks goes up to 70% of the investment costs. The latter will be agreed through negotiation between the two parties;
* Commitment/interest to work with CAHWs, veterinary science graduates and other actors along the animal health service delivery chain;
* Clear understanding on private sector led animal health service delivery system and have clear business model that support to create better access and uses of service to wider communities;
* Commitment to share information related to the service and the business operation with mandated local government bodies and the Mercy Corps.
1. **Potential activities that could be supported**

Proposed activities should be based on a sustainable private sector led animal health service delivery business model (See Annex 3). The applicant is responsible for organizing and managing activities with technical and/or cost share financial support from Mercy Corps. Examples of activities that could be supported include, **but are not limited to**, are the following:

* Develop business relationships with CAHWs and veterinary science graduates ( e.g. create access to drugs, Capacity building to CAHWs to give quality service, create business partnership with new graduates, and other related)to create dependable access and uses of service at last mile to pastoralist and agro pastoralist communities;
* Develop business relationships with potential drug and vet kits wholesalers or suppliers to create a system to respond to the expected demand for the services in the areas. The anticipated investments are expected to contribute to improve the supply chain of the quality vet drug along the line from wholesaler up to end users through establishing a strong business network system. Standardization of drug storage systems, inventory management, establishing consistent drug supply and any other related innovative ideas are encouraged in this investment;
* Provide animal health service focused business development service support, training and marketing embedded mentorship support for CAHWs and veterinary science new graduates interested to be engaged in the business by identifying business development gaps as part of marketing strategy. This call encourage the business partners/applicants who have clearly strategy of market development for his/her products and service in a ways that allows better access to inputs/services to target communities through capacitating the last mile service providers(CAHWs and new graduates), which will have significant positive implications for the future sustainability of the investments;
* Business idea that proposed to create mutual business relationship to ensure the interdependence between business partners(e.g. partial drug credit arrangement for CAWHs from PVPs, modality to Access finance/loan; PVP/PVC,CAHWs and new graduate joint business arrangement);
* Innovative ideas of establishing Private Public Partnership(PPP) to enhance the last mile animal health service delivery system(e.g. integrating private business with existing community level animal health posts, PVP and Public Animal health clinic, ---etc.). Such proposed idea will require official consent from the public partners that shows the joint interest and how’s of the partnership proposed to be managed;
* Business idea that will have added contribution to enhance the peacebuilding and resulted social cohesion for the target communities;

The lists above are non-exhaustive and only listed to provide examples of some of the potential areas the RiPA program could support but any additional ideas or a combination of these activities be encouraged, and all ideas will be considered.

 **6. Areas not eligible for funding**

* Financial support for working capital costs (e.g. purchasing drugs), regular employee salaries for existing permanent staff, operational costs of the business such as transportation. However, there will be exceptional cases that the project will consider the supports of temporary new businesses (e.g. business involve new graduates) capacity development to bridge the gaps of initial start-up phases. This is will be decided based on the nature of business idea and level of its future impacts for the program goal;
* Financial support for purchase of the items deemed as restricted items by USAID. Restricted items include used machinery and equipment and other USG surplus machinery and equipment).

 **7. Maximum amount of award and cost share requirements**

* The maximum amount of award that RiPA MC contributes will be $9,000(400,000.00 birr) for each business enterprise. The actual financial contribution will be dependent on the nature of the proposed business. The applicant should leverage 50% of the investment costs for those businesses only focused on PVP/PVC expansion without additional networking with last mile service providers. However, for those business ideas planned to create extended business relationship and networking through building the capacities of CAHWs and graduates, the program will leverage up to o 70% of the total investment costs depending on the specific context;
* The business enterprise that leverages/willing to cost share above the minimum proposed based on the specific nature of the business idea (50% or 70%) will be encouraged and prioritized during the selection process.
* The maximum number of business enterprises to be awarded will be dependent on the amount of funding but by this call the program is planned to reach at least 10 businesses (5 in Somali, 3 in Afar and 2 in Oromia region). The final number of business to be support will be dependent on the amount of budget;

**8. Application Collection and review process**

 MERCY CORPS expects to receive proposals/applications from the entities that meet the above criteria, through the Mercy Corps Office/s: Addis Ababa, Diredawa, Jijiga/Semera by no later than ***July 30 2021.*** Upon receiving the applications, Mercy Corps will evaluate the proposals using the criteria outlined in Table 1. The process of evaluating the proposals will be:

* **Initial Application Screening:**  A committee established by Mercy Corps will screen, score and rank applications received. Only applications from applicants meeting the ELIGIBILITY criteria will be screened. The ELIGIBLE applications will be scored using the criteria presented in Table 1 (below); as needed Mercy Corps will consult government agencies to get consent on the selected applicants mainly on their experience on operating in the area and commitments.
* **Application Assessment**: Best-ranked projects will be additionally assessed by evaluation committee members of Mercy Corps team via on site verification of the application and the applicant due diligence check. Areas need to be emphases will be dependent on the type and nature of Submitted Concept note;
* **Business Plan Screening**. The Mercy Corps committee will, upon receiving the completed assessments (business plans), conduct the final scoring and ranking of proposals and make recommendations for support.

**Table 1. Score Sheet for Private sector led animal health service delivery system enhancement through supporting PVP/PVC**

|  |  |  |
| --- | --- | --- |
| **S/No** | **Description of evaluation areas**  | **Score** |
| 1 | **Strategic fit to RiPA objectives (50 points)** |  |
| 1.1 |  **Potential number of CAHWs and new vet science graduates benefited from the business opportunities established (25 points)** |  |
| 1.1.1 | Number of CAHWs closely working with the PVP/PVC (name and address of the CAHWs/agreements entered to working together) (10 points) |  |
| 1.1.2 | Number of new veterinary science graduates working/interested to work with PVP (name of the graduates/group and their address//agreements entered to working together) (10 points) |  |
| 1.1.3 |  Number of woredas/kebeles to be covered through the delivery system (5 points) |  |
| **1.2** | **Present a working plan and organizational structure that reveals CAHWs and vet/animal health graduates as part of the service delivery chain(10 points)** |  |
| 1.3 | **Plan to provide embedded services for CAHWs, Vet/animal science graduates and pastoralists and agropastoralists- list of embedded services as explained in the expression of interest/proposal (15 points)** |  |
| **2** | **Technical and Financial Capacity (45 points)** | **Score** |
| 2.1 | **The applicant potential to develop market outreach and last mile service delivery through creating dependable supply of vet drugs or other inputs (20 points)** |  |
| 2.1.1 | Finance capacity of applicant (bank statement) **(5points)** |  |
| 2.1.2 | Experience in business. This will be ranked based level of business grown compared with the duration from the business established (**10points)** |  |
| 2.1.3 | Previous market relationship with CAHWs and/or vet professional- testimony from CAHWs **(5points)** |  |
| 2.2 |  **Applicant understanding of the proposed business idea (15 points)** |  |
| 2.3 |  **Applicant is contributing a significant proportion of the total cost of the investment(this will be evaluated based on the minimum amount proposed(10 points)** |  |
| **3** | **Gender Considerations (5 points)** |  **score**  |
| 3.1 | Experience and interest of the PVP/PVC owner to work with women CAHWs, and other group (5 points) |  |
|  | Total Score (max 100) |  |

**9. The application process**

The table below shows the process timeframe for this Call for Applications.

|  |  |  |
| --- | --- | --- |
| **Date** | **Item** | **Details** |
|  July 20 - 24, 2021 | Information Meeting | All are welcome to learn about the opportunity and ask questions. Date: July 20, 2021-Semera, July 22, 2021 Jijiga & July 24 Diredawa)Time:10:30-12:00Location: MC office **Jigjiga, Semera and DireDawa**Jijiga office: Kebele 06, House No.2079, Tel.No.+251-25-775-7477, P.O.Box :225Dire Dawa, Kebele 02, House No.509, Tel.No.+251-25-113-1220/21, P.O.Box: 974 Semera: CARE field office, Tell: 03-33660114 |
| July 30, 2021 | Applications due | Interested PVPs/PVC must submit a completed application, complete with all relevant documentation; by no later than this date.  |
| August 1-15, 2021 | Evaluation of applications | This is the expected date for completion of the eligibility and evaluation process, which will be conducted by Mercy Corps selection committees including government stakeholders. The evaluation process may include an interview with the applicant. Before final selection or rejection, the Mercy Corps team may conduct negotiations with the applicant to adjust / improve the application to more closely align with Mercy Corps objectives. This will also include a Financial Review, which may also be subject to negotiation / revisions.  |
| August 17  | Notification of acceptance / non-acceptance | The Mercy Corps Team will issue notifications of acceptance or non-acceptance to all applicants.  |
| August 24,2021 | Expected date for signing of Sub award agreement | Following a negotiation process, final agreements between the selected applicants and Mercy Corps will be signed, and project implementation will begin.  |

**10. Preparation of Applications**

The application template is provided below and must be completed by the date listed above. Completed applications will be accepted in English and must be no more than ten (10) pages in length (not including budget, proof of registration, or other required attachments).

A soft copy of the application form will be emailed to interested applicants on request.

Mercy Corps will evaluate all Applications based on the criteria described above. ***All applicants that meet the criteria will be considered, however Mercy Corps reserves the right to not accept any applicant if none are qualified.***

**11. Submission process**

Interested applicants should submit a hard copy of the Application and required documentation as follows:

* Till 30th July, 2021 5:00pm.
* To the Mercy Corps office located in Addis Ababa, Jijiga, Diredawa and CARE Office located in Samera

**Address:**

* **Addis Ababa** office located Yeka Sub-City, Kebele 08, House No. 377; Hayahulet,

 Tel. +251- 111110777, P. O. Box 14319

* **Jijiga office**: Kebele 06, House No.2079, Tel.No.+251-25-775-7477, P.O.Box :225
* **Dire Dawa**, Kebele 02, House No.509, Tel.No.+251-25-113-1220/21, P.O.Box: 974
* **Semera**: CARE field office, Tell: 03-33660114
* Please also be sure to include all the requested documents listed in the Application Form template below.

**12. Conditions**

**Issuance of this solicitation in no way constitutes a commitment by Mercy Corps to execute any agreement or to pay any costs incurred by any applicant in submitting an Application.**

Please note that Mercy Corps **will fully respect the confidentiality** of all companies involved in the program. If selected, Mercy Corps will establish an agreement with the regional aggregator that describes the objective of collaboration and that clearly defines each party’s respective responsibilities, roles, and obligations. Successful applicants must be willing to share information with Mercy Corps regarding their performance, and Mercy Corps will conduct interviews with clients / customers to gather information on impact and to monitor progress.

**Annex 1: AWARD APPLICATION FORM**

Please enter the relevant information for the Call for Applications being applied for.

|  |  |
| --- | --- |
| Call for Applications Ref # |  |
| Call for Applications Title |  |

Please ensure you complete all sections and attach all required documentation. The Application Form should be **no more than ten (10) pages in length** (not including additional supporting documentation and budget).

1. **Applicant contact details**

|  |  |  |
| --- | --- | --- |
| 1.1 | Name of point of contact for the applicant |  |
| 1.2 | Position of point of contact within the business / institution |  |
| 1.3 | Address |  |
| 1.4 | Phone number |  |
| 1.5 | Email address (optional) |  |

1. **Business / institution information**

|  |  |  |
| --- | --- | --- |
| 2.1 | Name of the business / institution |  |
| 2.2 | Year of establishment |  |
| 2.3 | Description of current business / institution structure and main business activities |  |
| 2.4 | Number of full-time staff / part-time staff |  |
| 2.5 | Mission / Objective of business / institution |  |
| 2.6 | Has your organization received any financial / technical assistance from international organizations or NGOs (if yes, please describe the content of the assistance) |  |

1. **Proposed Business / activities**

|  |
| --- |
| **3.1. Brief description of proposed business case / activities, and why it is viable in the current market context and who are the main partners in the proposed business** |
| **3.2. Explain why the proposed business case/activities requires support from Mercy Corps** |
| **3.3. Proposed location of activities and target groups (outreach/geographic coverage)** |
| **3.4. Expected impact of the business case/activities on the Pastoral Communities, CAHWs, vet graduates and others as listed in the Call for Applications (please include: economic or social benefits, number of individuals / households benefiting, CAHWs and vet/animal health graduates, CAHWs and vet/animal health graduates)** |
| **3.5. Proposed list of activities needed to realize the proposed business case/activities** |
| **3.6. Describe how the business case/activity will be sustainable** |
| **3.7. Describe how your track record and experience will enable you to implement the business case case/ activities successfully** |

1. **Budget summary**

|  |  |  |
| --- | --- | --- |
| 4.1 | Estimated cost of the entire business / activities (ETB) |  |
| 4.2 | Total request for financing from Mercy Corps (ETB and %) |  |
| 4.3 | Total financing covered by the applicant (ETB and %) |  |
| 4.4 | Describe other sources of financing (e.g. bank loan, family loan, own capital) |  |

1. **Supporting documentation**

(If they are not available, please provide the equivalent information.)

* Company Profile (if available)
* Copy of business registration documents
* Copy of tax registration
* Copy of financial reports for the last two years, including any audit report (if available)
* Please include details of the budget, as shown in Annex 1
* Support letter from regional/zonal/woreda government office indicating current operation status and reputation of the enterprise
* Testimonials from partners like CAHWs (if there is previous linkage)

**I HEREBY CERTIFY THAT THE INFORMATION PRESENTED IN THE CONCEPT NOTE IS ACCURATE AND COMPLETE.**

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ANNEX 2 – Budget template**

Please include a budget detailing the costs of the proposed innovation / activities, in the format below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Item and Description** | **Quantity** | **Unit cost** | **Total Cost** | **Mercy Corps Share (%)** | **Applicant Share (%)** |
| **1** |  |  |  |  |  |  |
| **2** |  |  |  |  |  |  |
| **3** |  |  |  |  |  |  |
| **4** |  |  |  |  |  |  |
| **5** |  |  |  |  |  |  |
| **6** |  |  |  |  |  |  |
| **7** |  |  |  |  |  |  |

**Annex 3- Private Led Animal Health Delivery service business model**

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