# Request for Application (RFA)-C303

**Stimulate Support Establishment/Expansion of Commercial Forage Production and Marketing in RiPA Program Areas**

# 1. Background of the project

Resilience in Pastoralist Area-North (RiPA-North) is a five year USAID funded Feed the Future (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 integrated components targeted across intervention geographic areas. These 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 program following the Market Systems Development (MSD) approach to stimulate sustainable and systemic change at scale. This will involve multiple partnerships development with private sector and government actors. Intensified and Sustained Pastoral and Agro-pastoral production and marketing component of RiPA program is planned to facilitate intervention that stimulate commercial forage production and marketing business through co-investment with private sector actors.

# 2. Objective of Call for Applications

The objective of this call for applications is intended to ***Stimulate private sector led commercial forage production and marketing*** to improve access to affordable and quality feed at scale**in** the RiPA program targeted areas.

Thus, RiPA is welcoming applications from existing/new commercial forage (feed/seed) producers, traders and/or those engaged in livestock related business who are interested to expand/establish forage production to create market based solutions for livestock producers in Pastoral and Agro-Pastoral Area.

**3. Program Target areas**

Mercy Corps is open to receive applications from forage producers, processors and traders operating in/around the RiPA program targeted woredas who are interested to expand/establish the business/market> The following area RiPA target area:

**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

The partnership agreements will be set with selected companies/business owners based on the criteria described under section four, below. This call is designed to facilitate co-planning and co-investment with private sector actors hence the selected business should leverage/cost share (in-cash or in-kind) the percentage specified under section seven (below) for the implementation of the envisioned business or activities.

# 4. Eligibility Criteria for application

The operational business that fulfills the following ELIGIBILITY criteria will be selected for the co-investment:

* Working on/interested in livestock feed, forage (feed/seed) production and marketing related business in/around the program targeted areas for a minimum of two years before the date of the application;
* Legally registered under Ethiopian law and have renewed business licenses;
* Available a minimum of 20 ha land dedicated for commercial forage production;
* Demonstrated financial capacity to co-invest/cost share for the proposed activity. The actual financial contribution will dependent on the nature of the proposed business idea but the majority of the applicants expected to contribute a minimum of 50% of the total investment costs;
* *If applicant works or interested to engage out grower scheme*: Commitment/interest that verifies to work with smallholder forage producers, cooperatives, common interest groups, youth groups, women group and/or other actors along the feed/forage value chains;
* Clear understanding on private sector led forage/feed business and have clear business model/business ideas that support development of affordable feed to wider market;
* Willingness/commitment to share information related to the service/ the business operation with mandated local government bodies and the Mercy Corps;
* Current engagement in livestock related business(optional but encouraged);

# 5. Potential activities that could be supported

Proposed activities should be based on a sustainable private sector led feed/fodder production and marketing business model. 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 includes, **but are not limited to**, are the following:

* Establishing/expanding irrigation based commercial improved forage production and marketing business;
* Natural pasture improvement based(areas closure and additional treatment) commercial feed business establishment through youth group engagement (e.g. hay making from area closures );
* Establish/expand forage producers throughout grower schemes business model on by producer networking, collection system development and value additions (e.g. harvesting and baling g). This will includes capacity building support for the out grower members to enhance the production and management capacities;
* Establishing livestock and commercial forage production business that has potential to produce surplus forage from own farm consumption to market. This could be fattening, dairy, livestock trade, milk collection/processing and other related businesses;
* Establishing the business that better strengthen the supply chain networking(e.g. forage supply with milk collection system, dry season feed access through livestock traders, ---);
* Market based fodder bank establishment through Private Public Partnership (PPP) to respond to the recurrent shocks. This business idea will require clear consent from public sector on how it will be implemented as a business and how both party will be participated;
* Market development for existing commercial forage business through developing innovative product promotion strategy, organize awareness creation events, publishing and creating additional distribution outlets/networks;
* Improve irrigation access for forage production(renovating irrigation system/canals, power supply system for irrigation through solar panel/generator/ water pump);
* Business idea that will have added contribution to enhance the peacebuilding and social cohesion for the target communities and other related are highly encouraged;

The lists above are not exhaustive. The list are simply to provide examples of the potential areas that the RiPA program could support but any additional ideas or combinations of above listed activities are encouraged, and all ideas will be considered.

## 6. Areas not eligible for funding

* Financial support to regular employee salaries for permanent staff/laborer, operational costs of the business such as transportation. There will be exceptional cases that the project will consider to support like temporary BDS service providers and those activities that require specific technical skill support during the establishment process, which will be decided based on the nature of business idea and level of its future impacts for the program target beneficiaries;
* Financial support for purchase of the items deemed as restricted items by USAID (e.g. used machinery, equipment, and other related).

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

* The maximum amount of award that RiPA Mercy Corps contributes will be ***$10,000.00(430,000.00 birr/business)*** for each business enterprise but the actual amount will be dependent on the nature of the proposed business.
* The applicant should leverage/cost-share a minimum of ***50%*** o***f the total investment project costs***. However, based on the nature of the business ideas and its future growth potential to benefit the wider community at scale, the program may leverage up to 70% of the total investment costs exceptionally.
* The business enterprise that leverages/willing to cost share above the minimum proposed (50%)will be encouraged and prioritized during the selection process depending on the merit of proposed idea;
* The maximum number of business enterprises awarded will be dependent on the amount of funding but by this call it is planned to reach at least 10 businesses (5 in Somali, 3 in Afar and 2 in Oromia region).

## 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 ***August 23, 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 for applicants mainly on experience 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.

|  |  |  |
| --- | --- | --- |
| **S/No** | **Description of evaluation areas** | **Score** |
| 1 | **Strategic fit to RiPA objectives (50 points)** |  |
| 1.1 | **Potential of the business idea future growth and its potential benefit for target communitie (25 points)** |  |
| 1.1.1 | Future growth potential of the proposed business and create better access at scale of program target communities (15 points) |  |
| 1.1.2 | Potential of business implementation target area for anticipated business, which will be evaluated based on the inputs of production supporting infrastructure access(10 points) |  |
| **1.2** | **Present a work plan and management system to delivery proposed business idea (10 points)** |  |
| 1.3 | **Strategy/approach to provide embedded services(training, technical support and other related) for wider communities as part of product production and market development to create sustainable business(15 points)** |  |
| **2** | **Technical and Financial Capacity (45 points)** | **Score** |
| 2.1 | **The applicant potential to establish/expand proposed business(e.g. verified land access, water and other related) (20 points)** |  |
| 2.1.1 | Finance capacity of applicant (bank statement) **(5points)** |  |
| 2.1.2 | **Experience in business**. This will be ranked based past effort inputs and present added innovations to support the business grown (**10points)** |  |
| 2.1.3 | Verified access to land for forage production/if out grower, clearly indicated out grower schemes**(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 | Potential of business ideas to empower/engage women and youths, and its contributions for peacebuilding and social cohesion (5 points) |  |
|  | Total Score (max 100) |  |

**Table 1. Score Sheet for Commercial forage production and marketing applicants**

# 9. The application process

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

|  |  |  |
| --- | --- | --- |
| **Date** | **Item** | **Details** |
| August 3 - 6, 2021 | Information Meeting | All are welcome to learn about the opportunity and ask questions.  Date: August 3, 2021-Semera, August 4, 2021 Jijiga & August 5  Diredawa)  Time:10:30-12:00  Location: MC office **Jigjiga, Semera and DireDawa** contact  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 |
| August 23, 2021 | Applications due | Interested applicants must submit a completed application, complete with all relevant documentation; by no later than this date. |
| August 23-Sept 06, 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 consents as needed. 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. |
| Sept 13,2021 | Notification of acceptance / nonacceptance | The Mercy Corps Team will issue notifications of acceptance or nonacceptance to all applicants. |
| Sept 27,2021 | Expected date for signing of Subaward 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***both a hard and soft copy*** of the Application and required documentation as follows:

* By 5pm on 23rd August, 2021.
* To the Mercy Corps office located in Jijiga, Diredawa or CARE Office located in Semera
* 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.

# 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) |  |

## 2. 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) |  |

## 3. 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(please include: economic or social benefits, number of individuals / households benefiting)** |

|  |
| --- |
| **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**

## 4. 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) |  |

## 5. 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 of the enterprises, capacity and verified land to uses ise
* Testimonials from partners if outgrowers schemes (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 1 – 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** |  |  |  |  |  |  |