

Request for Applications

RFA Release Date:	9 January 2023
Deadline for Questions:	5pm SAT, 16 January 2023
Closing/Submission Deadline:	5pm SAT, 23 January 2023
RFA Code:	06
SUBJECT:	Route to Market (RtM) diversification into Informal Market
Purpose of the RFA:	RtM diversification into informal market for Pig Producer
Eligible Organizations:	Experienced Consultant/Organisations with expertise in RtM diversification, experience implementing last-mile distribution /informal RTM models in developing countries and designing/testing shared value initiatives within agribusiness companies.

Dear Applicants,

TechnoServe invites you to participate in this competitive solicitation for proposals related to an opportunity diagnostic, and pilot design, and then implementation of a diversified RtM channel through an Informal Market Women & Youth scheme for a pig production company based in Yaoundé, Cameroon. The work will be conducted closely with the ZEBU Africa Food Security Fund (AFSF) Technical Assistance Facility (TAF) team based in Johannesburg, South Africa.

Position Location: The project will be completed in Yaoundé, and Douala, Cameroon

Budget: \$90 000 [\$25 000 (Phase 1); \$65 000 (Phase 2)]

Anticipated start date: 1 February 2023

Estimated Duration: The timing of the project is February – December 2023 (including pilot implementation)

Please note that the issuance of this RFA does not constitute an award commitment on the part of TechnoServe, nor does it constitute a commitment to pay for costs incurred in the development of an application.

Questions regarding the RFA requirements must be submitted in writing to wnyambayo@tns.org by the deadline listed above. Include the RFA Code and Subject in the subject line for your questions.

A. Background

TechnoServe is the implementing agency for the AFSF TAF. The AFSF is a second-generation fund managed by Zebu Investment Partners (ZIP) and targets high-growth Small, Medium Enterprises (SMEs) across the food value chain in Africa. Africa's food requirements are expected to double in the next 30 years with a food import bill estimated to reach USD 50 –70 billion per annum. Food value chains remain weak and under developed, while agriculture is the main form of economic activity for most people on the continent. Private investment in the agriculture sector is critical for Africa's food security and growth. The AFSF will target deal sizes of USD 2–8 million, with the goal of investing in a minimum of 10-12 agribusiness SMEs over the next 8 years. This segment of SMEs often faces challenges related to business skills, weak accounting and management systems, poor visibility and/or limited bandwidth to take advantage of market opportunities. And yet, SMEs are able to pivot and scale quickly, when the right resources are provided.

TechnoServe works alongside ZIP to implement the AFSF TAF alongside the AFSF. This is a \$1.9m grant-based facility tasked with supporting the capacity building of AFSF portfolio companies and deepening the development impact of the AFSF investments. The facility is tasked with providing TA to

AFSF portfolio companies that receive investment through the AFSF, promoting new opportunities for smallholder farmers, farmer business groups, rural communities and enhancing local economic development. This will be achieved by linking private equity investments to economic opportunities for smallholder farmers (including women and youth) and micro-enterprises; promoting uptake by AFSF investee companies of inclusive business models thereby increasing beneficiary incomes and thus enhancing economic access to food. Moreover, the TAF will support AFSF investee companies with their growth objectives by providing them with expertise and support that drive best practice and innovation.

The AFSF TAF is able to support projects in and around portfolio companies under the following components:

Inclusive Business Technical Assistance

Inclusive business TA supports investee companies to plan and pilot new business models that improve commercial and broader community (or development) impact often demonstrating the business case for smallholder sourcing and supporting SMEs to integrate more farmers into their supply chains and micro-retailers into their distribution chains.

Core Business Support

The Core Business TA is intended to enable AFSF portfolio companies to attract and take full advantage of capital investments from the AFSF, realising their potential as high-growth companies, creating jobs and contributing to the agricultural and economic development of Africa.

Ecosystem Development Technical Assistance

Ecosystem Development projects will seek to strengthen market systems around AFSF portfolio companies and will be measured by quantitative indicators such as finance mobilised as well as qualitative indicators for market development such as policy change, industry influence and stakeholder learning. This component will serve as an important knowledge sharing conduit emphasizing key thematic and common areas/issues identified through the scoping, design and execution of TA.

B. Program Description

To meet our objectives, we are working with this AFSF portfolio company to design and implement a diversified RtM channel incorporating the informal market supported by women and the youth operating micro-butcheries and informal roasters across Yaounde and Douala. This project will be stage gated, with the first stage being validation of the opportunity identified by the TAF team which will involve completing a thorough business operations diagnostic, market assessments and providing a comprehensive feasibility study of these opportunities and comprehensive design of the women and youth scheme and pilot. The objective is to design and implement a commercially viable, high-impact and sustainable, diversified RtM channel for the business.

The Company is an established mixed farming enterprise primarily focused on pork production located in Ndokoa (outside of Yaoundé), Cameroon. It currently distributes its production through three RtM channels: Farmgate, Cold store and Retail Butcheries. In 2021, the farmgate accounted for 54% of total porkers sold (total revenue), while the retail network accounted for 46%.

The retail butchery network was launched in Yaounde, by the end of 2021 it had 10 butcheries. Going forward there is potential to cost effectively expand the retail network by partnering with informal micro-retailer market which has over 90% of the raw pork market share but operates with a leaner cost structure.

The Company is in a position to increase its top-line by leveraging the increased capacity of its pig production facility in Yaounde, and requires RtM diversification to sustainably support this revenue growth, improve profitability and de-risk its top-line.

I. Duties and Responsibilities

Phase 1:

1. Review the Company's performance and RtM assessments conducted by the business and TAF, identify any gaps and validate commercial opportunity including the estimated incremental value that could be generated from the channels considered i.e. informal RtM diversification (outlining key questions/risks that need to be addressed, as well as any opportunities to optimise sales via existing channels).
2. Assess RtM diversification operational readiness and positioning; assessing management capacity to execute (including as it relates to human resources, systems, financial position and competing priorities)
3. Gather and analyse key insights through thorough market surveys to ascertain raw pork meat and roaster demand, consumer behaviours, capacity gaps, competition/competitive landscape, etc.
4. Assess the logistics landscape, potential distribution partners and potential micro-distributors that can cost-effectively handle the Company's supply chain tasks such as last-mile delivery; including pricing and product flow mapping
5. Based on assessment, identify options for distribution models into new and/or existing locations for the Company; considering most cost-effective routes to scale, key enablers and risks
6. Complete a gap assessment and map and profile micro-retailers detailing their buying patterns and challenges and develop selection criteria of micro-retail partners considering entrepreneurial capacity, geographic location, etc.
7. Validate micro-retail partners to determine key constraints and business capacity development and resources required;
8. Based on completed diagnostic, develop high level RtM recommendations for the company. If diversified channel will be viable, develop high level design recommendations regarding pilot structure that will be implemented to test RtM diversified channel (i.e. including the scheme) including key considerations and conditions of success for implementation
9. Present diagnostic findings and recommendations to obtain go/no go decision on prioritizing this diversified channel from Steering Committee

Phase 2:

10. Design pilot by refining the pilot recommendations developed in Phase 1
11. Refine pilot implementation action plan
12. Facilitate scheme agreements development, where necessary
13. Facilitate selection process of scheme participants
14. Manage the contract execution for scheme
15. Set up, and facilitate implementation of diversified RtM channel pilot (including training of scheme participants using Company resources or external service providers)
16. Manage all stakeholders including scheme participants and any other service providers
17. Prepare and provide bi-weekly progress updates and post-implementation report

All the above activities form the major and critical parts of the scope. Candidate selection and performance will be judged on capability to implement and successful achievement of these.

II. Deliverables

Activity	Deliverable	Anticipated due date
----------	-------------	----------------------

<p>Conduct thorough business operations and market assessment and detailed analyses;</p> <p>and develop and provide recommendations regarding pilot structure covering the financial models, sales, logistics, and execution & measurement and evaluation; including details on pricing, sales forecasting, the unit economics, branding & marketing and illustrative micro-retailer and any distributor licensing arrangements, etc. (under duties and responsibilities 1-9 in section above)</p>	<p>Opportunity diagnostic & feasibility assessment report, including comprehensive market assessment and pilot design recommendations</p>	<p>28 February 2023</p>
<p>KPI framework and dashboard</p>	<p>Design the proposed KPI framework with a simple KPI dashboard the company can use to track implementation progress</p>	<p>28 February 2023</p>
<p>Pilot design, implementation action plan and set up for diversified RtM channel including legal agreements and resource requirements (assets, people, processes, etc.)</p>	<p>Design and set up of micro-retailer development scheme pilot including impact measurement framework and monitoring plan</p>	<p>31 March 2023</p>
<p>Project management of TA project</p>	<p>Submission and approval of bi-weekly project progress reports to Steering Committee</p>	<p>From 1 Feb 2022 – 30 Oct 2023</p>
<p>Project completion and assessment of results and learnings</p>	<p>Comprehensive Project Completion Report, including thorough assessment of results and learnings; as well as future implications for scale up</p>	<p>31 October 2023</p>

III. Expected Impact:

Business impact: In addition to the current revenue generating initiatives and expansion of the retail network, the Company requires a diversified RtM channel that will cost effectively sustain its top-line growth and profitability, and improve its valuation going forward.

Micro-enterprises impact: The Company is able to distribute its production through micro-retailers operating in the informal market in a manner that increases their incomes and enhance economic access to food for each of them and the communities they serve.

The KPIs of the diversified RtM channel will be defined at the completion of Phase 1.

IV. Skills Required

- Experienced Consultant/Agency with expertise in RtM diversification, experience implementing last-mile distribution /informal RTM models in developing countries and designing/testing shared value initiatives within agribusiness companies etc
- Track record of successfully supporting companies in RtM channel diversification required; with experience in Africa, agribusiness and retail networks preferred.
- At least 8-10 years of relevant experience required.
- Advanced degree in business management or other relevant field preferred.
- Experience working with private agribusiness companies required.
- Prior strategy consulting experience will be reviewed favourably.
- Strong stakeholder engagement and communication skills required.
- Demonstrated leadership skills, teamwork and relationship building.
- Proven expert analytical and quantitative skills.
- Excellent written and verbal communication and interpersonal skills.
- Strong computer skills, including MS Word, PowerPoint, and Excel.
- Ability to work independently, flexibly, and responsively.
- Ability to adapt to changing working conditions.
- Ability to prioritise and meet deadlines.

C. The Application and Subaward Process

Application Submission

The subaward application process under this RFA will consist of two (2) phases of competition where full applications shall be submitted by interested parties to TechnoServe for evaluation. Applications should address:

- How the organization intends to carry out the project – proposed approach, actions/activities and timelines, and project/stakeholder management plan
- Milestones and results to be achieved over the life of the project
- Past performance and institutional capacity
- Team structure; roles and responsibilities of each team member
- Budget details
- Exit strategy
- General and country-specific DoC requirements to assess provider's DoC capabilities, insurance policies, experience, etc. when international travel is involved

Step 1:

Applications will be developed and submitted by the Applicant to TechnoServe utilizing the templates provided (or other referenced material as stated in the RFA) in accordance with all guidelines by the stated submission deadline. Late submissions will not be accepted.

The main body of the technical proposal should be no longer than 40 pages.

Step 2:

Applications will be vetted by TechnoServe staff to ensure each application meets the requirements set forth in this RFA. Any applications failing to meet minimum requirements will be disqualified from competition. The minimum requirements include the eligibility criteria, use of application templates provided, submission by the deadline, etc.

Step 3:

Applications received within the application deadline that meet the minimum requirements set forth in the RFA will be evaluated by a Selection Committee using the following criteria:

Selection Criteria	Scoring
1. Relevance of the proposed approach in response to the RFA	30
2. Illustrated capacity of the applicant to implement the project and past experience with similar projects	20
3. Feasibility of planned activities and anticipated results	20
4. Project Sustainability and impact on target beneficiaries/communities	20
5. Budget reasonableness and cost effectiveness	10
Maximum Score	100

Step 4:

The Selection Committee will recommend those applications with the highest scores for award. As applicable, the Selection Committee may request applicants to provide additional information and edit their applications. In such cases, the Selection Committee will also establish a deadline for submission of revised applications.

Step 5:

Successful applicants will be notified by TechnoServe and will begin to work with TechnoServe staff to revise their applications to be incorporated into a full subaward. This step will include a pre-award risk assessment.

Step 6:

Following the successful conclusion of the application process and acquisition of any required donor approvals, TechnoServe will issue the successful applicant(s) with a subaward with details on the scale, scope, cost, and terms and conditions. Whenever possible, TechnoServe will meet with new subrecipients to provide an orientation outlining the main requirements for performance and reporting.

Step 7:

Throughout the duration of the subaward, TechnoServe will monitor the subrecipient's performance and compliance with all subaward terms and conditions.

D: Program Budget Submission and Costing guidelines

Individual subawards will vary depending on availability of funding, nature and scope of program activities, the period of implementation, and justification of costs proposed. Although consideration will be given to all applications received by the deadline, it is recommended that the total budget requested from TechnoServe does not exceed US\$100 000. Subawards will be issued on a competitive basis and only to a selected number of applicants.

While reviewing application budgets and budget narratives, the Selection Committee will ensure that:

1. The budget application reflects all the resources necessary for program implementation (Direct and Indirect Costs, as applicable).
2. The budget narrative provides details on all types of costs planned, cost per unit and cost justification. The budget narrative should be prepared using the provided Budget Notes template (attached).
3. All costs budgeted are eligible. Budgeted costs categories may include but are not limited to:
 - a. **Personnel:** Salaries and benefits for full and part-time staff involved in the project. Staff can be paid only for activities performed within the framework of the proposed project. All personnel expenses must be justified with information on the role of the proposed staff in project implementation.
 - b. **Consultants and Other Outside Services:** Fees for any external consultants or contracted firms required to support subaward activities.
 - c. **Travel:** Flights, per diem, and any other required travel costs for project personnel to conduct implementation activities.

- d. **Office Costs:** Any required cost for the subrecipient's local office to support project implementation.
- e. **Other Direct Costs:** Any other direct costs of the project, such as costs for conducting trainings, developing publications, etc.
- f. **Indirect Costs:** If applicable, organizational overhead costs.

Pre-Agreement Costs - TechnoServe will not reimburse costs incurred prior to the effective date of the subaward. In special cases where pre-agreement costs are necessary to comply with the proposed delivery schedule, TechnoServe may discuss and negotiate with the applicant the approval of certain pre-agreement costs. Such costs are only allowable with the prior written approval of TechnoServe.

E. Submission Guidelines

Applicants must submit their applications, budgetary information as well as any other information responding to the terms, conditions, specifications and requirements of this RFA to:

TechnoServe

To: Wadzanai Nyambayo, Senior Programme Manager

Email Address: wnyambayo@tns.org

Applications must be received by the submission deadline specified on the first page of this RFA. Late submissions will not be accepted.

Attachments to this RFA:

Attachment A: Budget Template