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Announcement Type: Annual Program Statement

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Questions for First Round of Evaluations Due By: On an Ongoing Basis

Deadline for Submission of Expression of Interests: On an Ongoing Basis

Final Closing Date: July 31 2019

To Interested Applicants:

The purpose of this Annual Program Statement (APS) is to solicit applications for funding. RADP-E through the United States Agency for International Development (USAID), is seeking Expressions of Interest (EOIs) from interested applicants (form attached). EOIs will be evaluated by RADP-E and those that meet the program criteria will be invited to submit a funding application that address one of more of the following three areas (for more detailed information on each area, please refer to Annex’s II, III and IV):

1. Improved firm-level Management, Operations and Food safety through **Certification** **and Compliance to International Standards** (ISO, HACCP, GAP, etc);
2. Facilitate developing and piloting of new **Agriculture Loan Products** by commercial banks and micro finance institutions.
3. Provision of business to Business Services to value chain actors that could include Food Safety, ICT, marketing/promotional, transport, business consulting, etc., services.
4. Grants assistance to tomato, dairy, poultry, and apricot processors, traders, exporters, and input suppliers to improve firm level processing, packaging and marketing activities.

This APS is an initial announcement to engage organizations that maybe interested in designing and implementing small to large business development initiatives in collaboration with RADP-E. DAI, on behalf of USAID anticipates partnering with approximately 20 organizations and finding ways to creatively fund partner collaborations from successful applications submitted in response to this announcement. The submission Period for this announcement will be one year. All Expressions of Interest (EOI) will be reviewed once a month on an ongoing basis throughout the year. At the discretion of RADP-E, EOIs received after the first round of evaluations may be considered on a rolling basis or as part of another round of evaluations.

The period of performance of the small projects under the APS may be 1-2 years. The total amount of funding currently available for awards under this APS is approximately USD$1,000,000.00. The number of partner agreements and awards and amount of available funding is subject to change and RADP-E reserves the right not to formulate a Grant Agreement or not to make any awards as a result of this APS.

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SECTION I - FUNDING OPPORTUNITY DESCRIPTION

(1) Description of the Proposed Program

Background

The Regional Agricultural Development Program – East (RADP-E) is a five year USAID-funded program to expand sustainable agriculture-led economic growth in the eight target provinces of Ghazni, Kapisa, Laghman, Logar, Nangahar, Parwan, Wardak, and Kabul. Program activities support the apricot, tomato, poultry and dairy value chains through the provision of training, technical assistance and grants benefitting micro, small and medium enterprises (MSMEs) involved in agricultural processing, input supply and export of targeted commodities. RADP-E will identify MSMEs on either end of the farmer in each value chain - the commercial vendors of the goods and services that farmers need to grow higher volumes of quality produce, and the processors and traders who purchase farmers’ harvests. The input suppliers and agro-processors will serve as 'leverage points' for enhancing market effectiveness and competitiveness across the target value chains.

RADP-E announces this Annual Program Statement (APS) to organizations interested in submitting Expressions of Interest (EOIs) that present innovative ideas in any of the following four areas (for more detailed information on each area, please refer to Annex II, III, IV and V):

1. Improved firm-level Management, Operations and Food safety through Certification and Compliance to International Standards (ISO, HACCP, GAP, etc);
2. Facilitate developing and piloting of new Agriculture Loan Products by commercial banks and micro finance institutions.
3. Provision of business to Business Services to value chain actors that could include Food Safety, ICT, marketing/promotional, transport, business consulting, etc., services.
4. Grants assistance to tomato, dairy, poultry, and apricot processors, traders, exporters, and input suppliers to improve firm level processing, packaging and marketing activities.

Potential responders are encouraged to submit Expressions of Interest (EOIs) from RADP-E’s geographic focus area and value chains. The geographic focus under consideration are the eight target provinces of Ghazni, Kapisa, Laghman, Logar, Nangahar, Parwan, Wardak, and Kabul. Target Value Chains are: Apricot, Dairy, Poultry and Tomato. **Activities outside the geographic focus area and value chains will not be considered.**

This APS is seeking to engage potential partners through EOIs that propose innovative approaches to address the opportunities and constraints associated with agribusiness in achieving **International Certification, Agricultural Lending and Business Services**. Responders may choose among a range of initiatives or scale up small projects that have demonstrated success. Special attention and consideration will be given to innovative ideas that involves women’s participation.

**Program Objectives**

The goals of the RADP-E activity will be achieved through inclusive business and economic growth, strengthening agricultural market systems, upgrading value chains with new technology and innovations, and building local capacity to sustain improvements beyond the life of the project. RADP-E will look at different market actors in targeted provinces and value chains (input suppliers, post-harvest handlers, transporters, processors, traders, retailers, exporters, business service providers and financial institutions).

The following are some of the objectives of the RADP-E activity:

* Support the capacity of agro-companies in applying for certification, ISO, GAP and HACCP in the target value chains.
* Facilitate developing and piloting of new Agriculture Loan Products by commercial banks and micro finance institutions.
* Support the provision of business to Business Services to value chain actors that could include food safety, ICT, marketing/promotional, transport, business consulting, accessing export markets, business support services etc.
* To enhance and improve firm level processing, packaging and marketing capacity of tomato, dairy, poultry, and apricot processors, traders, exporters, and input suppliers.

**POTENTIAL ACTIVITIES**

Below are some illustrative examples of activities:

* Partner with agro-processer, traders, exporters in meeting the requirements to obtain internationally accredited certification.
* Partner with commercial banks and micro finance institutions in promoting, developing and/or piloting new agriculture loan products.
* Partner with private Business Service Providers to develop business to business services to value chain actors that could include food safety, ICT, marketing/promotional, transport, business consulting, accessing export markets, business support services etc.
* Partner with processors, exporters, traders and/or input suppliers in order to improve their firm level processing, packaging and marketing capacities.

**Section II-INSTRUCTIONS AND EVALUATION CRITERIA**

1. **Overview of the Process**

Responders are required to first submit Expressions of Interest (see below for instructions) to the RADP-E Grants Department [Grants\_RADPE@dai.com](mailto:Grants_RADPE@dai.com). Responders will then receive instructions on whether or not to proceed with a full application.

**NOTE: PLEASE Do not submit a full application Only upon receipt of positive feedback on the EOI from RADP-E, the responder will be requested to co-develop an application outlining the type of assistance, budget, applicant cost share and impact indicators.**

RADP-E Grants Manager will be responsible for the management of the application review and award process. Issuance of this APS does not constitute an award or commitment on the part of RADP-E, nor does it commit RADP-E to pay for costs incurred in the preparation and submission of any EOI and/or application.

**B. Deadline for Questions**

Any questions concerning this APS can be submitted by e-mail to [Grants\_RADPE@dai.com](mailto:Grants_RADPE@dai.com) on a rolling basis and both questions and answers will be publically posted on RADP-E’s website on a monthly basis. Any prospective responder desiring an explanation or interpretation of this APS must request it in writing to allow a reply to reach all prospective responders before the submission of their EOIs. Oral explanations or instructions given will not be provided.

**C. Expression of Interest Instructions**

The RADP-E activity invites interested eligible parties to submit EOIs for innovative projects designed to address any or the three areas listed above (International Certification, Agricultural Lending, and Business Service Provision). Applicants may use the EOI Form (See Annex I for template) and answer all questions within the form.

**D. EOI Evaluation Criteria**

EOIs will be reviewed in terms of responsiveness to the APS, appropriateness of subject matter, and innovativeness. Responders are encouraged to demonstrate how their proposed work will contribute to the goals and objectives of RADP-E. EOIs will be evaluated based on the following specific criteria:

**a. Conformity to RADP-E Activity Objectives.** Is the proposed activity in line with RADP-E activity objective of expanding sustainable agriculture-led economic growth in the eight target provinces? Does it involve one of RADP-E’s value chains (Apricot, Tomato, Dairy, Poultry)? What is the likelihood that the activity will help meet RADP-E activity targets and further objectives in a sustainable manner?

**b. Technical Approach**. Is the technical approach feasible in the given time period with the given resources? Is the technical approach innovative? Will the technical approach facilitate market-driven solutions?

**c. Sustainability Analysis.** What is the probability that the activities will be sustainable over the long term without continued external support?

**E. Application Instructions**

Submission of EOIs is the first step in the APS process. Only responders whose EOIs are accepted will then be invited to co-create a full Application with RADP-E. Invitations will be sent to those who meet the evaluation criteria listed above.

**Section III- SUBMISSION DEADLINE AND INSTRUCTIONS**

EOIs can be in English, Dari or Pashtu and shall be submitted electronically (signed, stamped and scanned) or in hard copies (signed and stamped) no later than July 31, 2019 at 4:00 PM Afghan Time to any of the following addresses:

Email: Completed Expressions of Interest can be delivered by email to [Grants\_RADPE@dai.com](mailto:Grants_RADPE@dai.com)

Hand delivery: Completed Expressions of Interest can also be delivered to:

Kabul Office: RADP-E Office, Darya Village Hotel and Business Park Hawa Shinasee Road Khwaja

Rawash Kabul Afghanistan

Ghazni Office: Kocha-e-Entikhabat, Hese#4, Relief International Offices.

Jalalabad Office: Eslah School Street Phase#01 Jalalabad

**EOIs over four pages will not be considered**. Please include the name and contact details of your organization representative in the EOI. In case the submitted EOI meets RADP-E criteria, the responder will be notified of the results and will be visited by RADP-E Value Chain Officers to begin the process of developing an application.

**ANNEX I: EXPRESSION OF INTEREST (EOI)***Please Refer to Page 2 for Instructions and Information on the Grants Program*

|  |  |  |  |
| --- | --- | --- | --- |
| COMPANY INFORMATION (for local companies only) | | | |
| 1. **Company Name** 2. **Type of business**   **(Please tick all that apply)** | ----------------------------------------------------------------------------  Business  Business Service Provider  Bank/MFI  Association  Union  Cooperative Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| 1. **Individual to Contact**   **(Name and Title)** |  | | |
| 1. **Address** |  | | |
| 1. **Telephone and Email** | Telephone #: Email: | | |
| 1. **Year Established** |  | | |
| 1. **Registration**   Proof of registration will be required | Yes No  If yes, where did you get your license: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  ***Note: Please attach a visible scan copy of your business license*** | | |
| 1. **# of Employees (including owner)** | # | | |
| 1. **Woman Owned Business?** | Yes  No | | |
| 1. **Coverage Area: including main office, site office, distributors,** *(Tick all that apply***)** | | | |
| Ghazni  Wardak  Laghman  Nangarhar  Logar  Kapisa  Parwan  Kabul | | | |
| **PRODUCT INFORMATION** | | | |
| Which Value Chains do you work in? | Apricot Dairy Poultry Tomato | | |
| What is your role in the VC? | Processor Agricultural Input Supplier Local Trader  Exporter/Importer Nursery grower  Business Service Provider  Bank/MFI/NBFI  Other (specify)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| What are your products/services? (please list them) | 1: 4:  2: 5:  3: 6: | | |
| Your business development plan/idea (**attach your development plan/idea on a separate paper)** |  | | |
| 1. **SALES INFORMATION** | | | |
| Total Annual Sales | ***Annual***  Less than $10,000 $10,001- -$50,000 over $50,000 | | |
| 1. **CERTIFICATION** | | | |
| *I hereby certify that the information provided above is accurate to the best of my knowledge* | | | |
| Name and Title | Stamp and Signature | | Date |
|  |  | |  |
| FOR RADP-E USE (RADP-E will keep and maintain confidentiality of all information provided in this EOI). | | | |
| Date Received: | Date Evaluated: | EOI Application #: | |

**Instructions for Completing the Expression of Interest**

**Part A: Company Information**

Item 1: Write the company name as it appears on the business license /registration.

Item 2: Provide information about your business type with ticking the box

Item 3: Provide name and position of a contact person

Item 4: Company Address (Main business address with house#, street name and #,

town/city, and province)

Item 5: Business telephone # and valid email address.

Item 6: Indicate when you first started legal operations / business in Afghanistan

Item 7: Provide information on your company registration in Afghanistan

Item 8: Provide information about the number of employee at your company, including the owner/s

Item 9: Indicate if the business is owned by a woman

Item 10: To indicate where you operate in RADP-E’s geographic areas, tick all boxes that

apply.

**Part B: Product Information**

Item 1: Which value chains do you work in – tick all boxes that applicable.

Item 2: What is your role in the value chain: – tick the relevant box(es)

Item 3: List down your products and services

Item 4: Tell us about your idea and plan in this section – please attach on a separate page if

you have spacing issue

**Part C: Sales Information**

Item 1: Tick the relevant annual sales of your products or services

**Part D: Certification**

Include name, title, signature, stamp and date

**Part E: FOR RADP-E USE**

This section will be filled out by RADP-E.

**ANNEX II: Certification and Compliance to International Standards**

**Background Justification**

Afghanistan’s competitiveness in exporting and the success of domestic food processing depend on its ability to produce high-quality products and services. Food safety and quality are important for human health and consumer safety, as well as for protecting the climate and the environment. One way of ensuring that products and services meet certain standards is through technical regulations with mandatory compliance and the other way in general is through adoption of innovative activities and technologies for significant improvement in the product quality. These activities have significant impact on the sales and profitability of any business, especially those companies engaged in the food processing and exporting of agricultural products. The lack of certification and compliance with international standards and undesired quality of the products are the main obstacles to reducing imports from other countries and increasing exports from Afghanistan to international markets.

Sales of fresh and processed products are carried out through trade chains. The trade chains are intermediaries between the processors and exporters and the end customer. The trade chains are interested in the safety of food products and good quality. Any issues with quality and safety of the end consumer negatively affects the image of the trading chains, reduces attendance and profit. Thus, if the trading chain has a large number of customers, it will require that products should have certificates and meet international standards.

At the present stage, a number of systems have been developed that contribute to improving the safety of production of healthy food. The introduction of the requirements of this standard helps enterprises to concentrate as much as possible on the possible risks that affect food safety and food hygiene in general.

**International Organization for Standardization 9001:** Compliance with the requirements of ISO 9001 indicates a certain level of reliability of the supplier and good quality of his company. The ISO 9001 certificate itself is an external independent confirmation of the achievement of the requirements of the standard. Third-party certification bodies provide independent confirmation that organizations meet the requirements of ISO 9001. This can be applied to all four projected supported value chains, because from the point of view of modern companies, compliance with the requirements of ISO 9001 is the minimum level that allows entry into the market.

**Good Agricultural Practices and Good Handling Practices:** These are voluntary audits that verify that fruits and vegetables are produced, packed, handled, and stored as safely as possible to minimize risks of microbial food safety hazards. Good agricultural practice (GAP) are specific methods which, when applied to agriculture, create food for consumers or further processing that is safe and wholesome. A central component of the GAP certification process is a food safety program for each farm; it should include written standard operating procedures and policies to address potential contamination issues including land, irrigation water, manure use, pesticides, equipment and worker health and hygiene. This can be applied to 2 project supported value chains: apricot and tomato. Exporters will be more competitive on international market with products that are compliant to GAP standards.

**International Organization for Standardization 22000**: It is a Food Safety Management System that can be applied to any organization in the food chain, farm to fork. Becoming certified to ISO 22000 allows a company to show their customers that they have a food safety management system in place. ISO 22000 requires that you build a Food Safety Management System, which includes: clean sanitary environment, [Hazard Analysis and Critical Control Plan](https://www.22000-tools.com/what-is-haccp.html) and food safety management system. ISO 22000 is a standard that, based on the structure of ISO 9001, uses the principles of HACCP. Compliance with ISO 22000 is an important exercise for food processing companies for project supported value chains.

**Hazard Analysis and Critical Control Points**: It is a systematic preventive approach to food safety from biological, chemical, and physical hazards in production processes that can cause the finished product to be unsafe and designs measures to reduce these risks to a safe level. HACCP is a system of principles for building a food safety management system. The organization of the system is determined by the individual characteristics of the organizations. Compliance with HACCP is an important exercise for food processing companies in all project supported value chains.

Some food processing companies at initial stages require preparatory works which can prepare them for compliance with international standards. These activities focus on the general improvement of the product through improved processing and packaging which will enable food processors to work on their products and then adopt and implement food safety standards for compliance with international certification. Once the quality of products is improved, in the second stage these food processors and exporters will be able to comply with and implement Food Safety Management System (FSMS) and other certifications.

Compliance with the requirement of ISO 9001, ISO 22000, HACCP and GAP; and general product quality improvement practices provides producers, processors and exporters of Afghanistan in project supported four value chains (poultry, dairy, apricot and tomato) with the following advantages:

* Additional increase in the rating and image of the company among the customers, partners and governmental agencies;
* Competitive advantages;
* Trust of customers, partners and governmental agencies;
* ISO system, when planning and following up all requirements, will ensure order in the organization (planning, control) and, as a result, improve financial performance;
* Opportunity to participate in tenders in Afghanistan and other countries, where the presence of a certificate is one of the conditions; and
* Opportunity to enter the international market.

**Program Description**

RADP-E will award food safety and quality improvement grants to qualified businesses who meet the program criteria set forth in the request for applications. All the in-kind grants will require a minimum of 50% cost-share contribution in order to be considered. Key in this solicitation is the need to receive good ideas from companies engaged in food processing and exporting and award effective grants for improvement of foods safety and quality of fresh and processed agriculture products by exporters, processors, aggregators and farmers involved RADP-E 4 value chains of apricot, dairy, poultry and tomato. RADP-E aims at receiving innovative and impactful ideas from businesses, rather receiving exact details of what RADP-E will fund the ideas that applicant wants to implement but is unable to do due to high cost, risk or lack of resources. The primary customers of companies should be RADP-E target beneficiaries in 4 value chains.

The companies engaged in processing and exporting should provide with proposal on how they can improve food safety and quality of fresh and processed agriculture products so that given problems faced by companies are solved:

1. Address existing needs of processors and exporters due to which they cannot apply to certification and compliance to international standards;
2. Improve food safety and quality so that domestic and international customers are confident enough that fresh or processed agriculture products are produced and processed in according to international standards;
3. Address the problem of complicated process to applying to certification and compliance to international standards; and
4. Enable processors and exporters to improve food safety and quality of fresh and processed agriculture products which can assure the companies to increase the sales on domestic and international markets and increase the marketability of their products.

**Example of types of activities to be co-invested by RADP-E:**

* Equipment for improving food safety and quality of products in value chains of apricot, dairy, poultry and tomato.
* Training on use of new system of financial control, system of food safety control, on use of GAP standards.
* Implementation of certification and compliance to international.

**Specific Eligibility Requirements**

* Submit a completed EOI form;
* Be a legally registered Afghan business;
* Be operational in the RADP-E target area (Kabul, Parwan, Kapisa, Logar, Wardak, Ghazni, Laghman and Nangarhar) for at least a year;
* Have a monthly sales of AFN 100,000;
* Be a food processing company or exporter involved in RADP-E 4 value chains (Dairy, Poultry, Tomato and Apricot);
* As a company, has sufficient experience in food processing or exporting to domestic and international customers;
* Have a minimum of 5 full time employees;
* Provide a minimum of 50% in-kind contribution as part of their activity;
* For monitoring and evaluating purposes, agree to full financial records disclosure;
* Agree to participate in RADP-E Basic Accounting and Marketing training and market linkages activities;
* Demonstrate capacity to increase production and be able to implement a marketing plan upon the completion of RADP-E assistance; and
* Demonstrate immediate (4-6 months) and measurable impact as a result of RADP-E assistance.

**Evaluation Criteria**

Applicants who submit an EOI that is Approved to Proceed will be visited by RADP-E Program Staff to work with the applicant in completing an Application. These applications will be evaluated according to the following criteria. Technical evaluations are significantly more important than cost. The relative importance of each criterion is indicated by the number of points assigned. A total of 100 points is possible. Applicants should understand these criteria serve to: (a) identify the significant issues Applicants should address in their proposals, if any, and (b) set the standard against which all applications will be selected.

1. **Completeness of Application (10 points)**

This section will mainly require the applicant to fill accurately and thoroughly all the sections of the applications and submit all the related documents required as attachments. In general, the following points will be considered by RADP-E during evaluation:

* Is the contact information accurate?
* Is there proof of registration to operate as a legal business entity in Afghanistan?
* Is there a good description and understanding of the estimated cost and grantee cost-share?
* Ability for the reviewer to understand the grant application. What they propose to do, how they will do it, what they need, impact and sustainability?

1. **Proposed Activity (30 points)**

This section will mainly require the applicant to write in his/her own words what they require from RADP-E to improve food safety and quality of fresh and processed agriculture products and increase the sales of improved agriculture products in domestic and international market in one or more of the 4 value chains; they should state that why the assistance they are requesting from RADP-E is important for his/her company and agribusinesses; how effectively they will do their marketing activities to reach potential customers at domestic and international markets. In general, the following points will be considered by RADP-E during evaluation:

* Is the Activity Description section of the application completed with sufficient detail to understand what the applicant is proposing?
* Are the Project Objectives clear on what the applicant will accomplish with this grant?
* Does the proposed activity describe how improved food safety and quality will help the companies to apply for certification and compliance to international standards and market expansion in existing and new markets? And / or what plans do they have to target new customers?
* Does the proposed activity describe how the applicant will address the problem of lack of food safety and inconsistent quality of fresh and processed agriculture products?
* Does the applicant describe how the company will apply for certification and compliance to international standards? What would be their process of applying for certification and compliance to international standards?
* Does the proposed activity describe clear Marketing Strategy that how will he/she reach to its potential clients and how will his/her products useful in import substitution and export promotion?
* Does the applicant clearly describe and understand how they will address difficulties in applying to apply for certification and compliance to international standards?
* Extent to which the application addresses Women and Youth integration and how well the applicant will maintain coordination with relevant government departments.
* Is there information on how the applicant will measure increased sales resulting from the grant activity?
* How will the applicant keep records and any changes resulting from the grant?

1. **Innovation, Risk Share and Value Chain Impact (40 points)**

All three of the below criteria are related to some degree. This section will mainly require the applicants to provide detail information on innovation, risk share (matching contribution) and value chain impact. In the review of applications, RADP-E evaluation committee will evaluate based upon how well the applicant addresses the below evaluation criteria:

a. Innovation:

* Is what the applicant proposing innovative? Is this something new? A new business connection with an international firm? A new technology? A new operation system? A new idea that the applicant wants to try but needs assistance? Business expansion in the current market? A new way of improving business? RADP-E will score based upon new and innovative ideas to be used for the grant assistance they are requesting.

b. Risk Share

* Is what the applicant proposing something that they are unable to undertake with current resources? Is it an activity where RADP-E can help share the risk?
* Is there any matching contribution from the applicant for this activity? What is it? and how will the applicant provide the contribution?
* What is the matching contribution?

c. Value Chain Impact

* Applicants who propose activities that **only** impact them or their business activity will score low. Applicants must demonstrate how RADP-E assistance will improve or provide benefits across the value chain. If RADP-E provides a piece of equipment how will that new technology effect their suppliers or buyers or clients or staff?

1. **Sustainability of Grant Activity (20 points)**

This section mainly deals with providing information on previous, current and planned assistances / loans from NGO, donor programs, banks and financial institutes. The applicant must provide detailed information on the sustainability of proposed activity. In general, the following points will be considered by RADP-E during evaluation:

* Detailed information on the type and amount of assistances the business was able to receive or will receive and what happened or will happen after the assistances from NGOs and or donor programs. Failure to mention current or past assistance could lead to the application no longer being considered.
* Is there a plan for how the applicant will market their products once RADP-E assistance ends?
* Does the applicant have a plan on applying for or receiving loans or other resources to continue the activity once RADP-E assistance ends? Applicants who are in the process of or willing to apply for loans will score high.

**ANNEX III: Access to Finance Activity**

Conduct a study tour outside Afghanistan for financial institutions to attend specialized agriculture value chain finance training courses. The study tour should also include visits to banks and financial institutions that lend to agriculture businesses to learn about agriculture lending practice related to credit policy, procedures, organizational structure, products and others.

**Background Justification**

One of the main challenges in expanding agriculture finance is the lack of specific agriculture financial products offered to micro, small and medium agro-enterprises (MSMEs). In addition to the lack of awareness and promotions of related agriculture credit products especially in rural areas, Agribusinesses located outside Kabul and Nangarhar have limited knowledge about product offering of financial institutions (including banks and microfinance). Agribusinesses don’t understand which product is best suited to their needs and the requirements for a successful application. Moreover, there are almost no linkage and interaction between agricultural businesses and financial institutions in the rural areas with no financial institutions branches. In addition, lack of primary collateral (Land Title Deed Documents) for agribusinesses is a major challenge and can be overcome through accepting movable assets (machinery and equipment) to secure financing.

In order to overcome this challenge, RADP-E has initiated several activities that address the challenges facing the agriculture sector based on consultation with both the agribusinesses and the financial sector. The activities include:

* Organizing A2F conferences to link businesses and FIs and educate agribusinesses on the current financial market offerings and find potential borrowers.
* Developing the Borrowers’ Guide to educate agribusinesses on the credit offering of financial institutions in Logar, Wardak, Kapisa, Ghazni, and Laghman provinces.
* Conducting Agriculture Value Chain Finance training sessions in collaboration with AIBF. The sessions included one ToT and credit officers training in RADP-E east geographic areas.
* Conduct a study tour outside Afghanistan for financial institutions to attend specialized agriculture value chain finance training courses. The study tour should also include visits to banks and financial institutions that lend to agriculture businesses to learn about agriculture lending practice related to credit policy, procedures, organizational structure, products and others.

Another challenge to access to finance is the limited number of financial institutions branches in the rural areas and outside of main cities of Kabul and Jalalabad. Banks and MFIs will not lend to potential agribusinesses who operate outside their coverages area. RADP-E has referred three loans with a total amount around USD 200,000 to FIs (from Logar and Ghazni). The cases were rejected due to lack of branches/operations in that province. RADP-E covers (8) provinces and the number of programs beneficiaries will increase in areas where financial institutions do not have branches/operations.

**Program Description**

RADP-E will award grants to Financial Institutions FIs including banks, MFIs and Non-Banking Financial Institutions NBFIs to develop new loan products and/or facilitate greater access to finance for input suppliers, post-harvest handlers, transporters, processors, traders, retailers, exporters and business service providers active in RADP-E target provinces and value chains. To complement the above-mentioned initiatives and strengthen the possibility to facilitate loans to agribusinesses outside the main provinces like Kabul and Jalalabad and in the rural areas. The justifications behind the grant are:

* Banks and MFIs will not lend to potential agribusinesses who operate outside their coverages area. The grant will cost and encourage FIs to expand their lending operations and facilities to RADP-E target areas and value chains.
* Lack of promotional activities by financial institutions to promote loans in general as well agriculture loans to businesses in RADP-E targeted provinces.
* Lack of specific agriculture value chain loan products offered by financial institutions. The grant will support FIs interested in developing specific agriculture value chain loan products and promoted it to agriculture businesses in RADP-E area.

**Example of types of activities to be co-invested by RADP-E:**

* Designing and printing of Promotional materials
* Conducting outreach activities to reach sound agriculture businesses in RADP-E targeted provinces including direct sales, advertising, and other related activities
* Assist Agribusinesses in approaching credit facilities and loan application preparation.
* Developing new loan products to finance agriculture businesses within the target value chains and RADP-E provinces.
* Developing electronic distribution channels to pay and collect loans installments, or develop technology-based finance solution or application which will enhance access to finance or promote agriculture finance.

**Eligibility Requirements**

* Submit a completed EOI form;
* Be a legally registered Financial Institution with one of the regulators such as banks with Da Afghanistan Bank DAB, or an MFI with MISFA, or registered payment or financial services provider.
* Be a member of ABA or AMA.
* Provide a minimum of 50% in-kind contribution as part of their activity;
* For monitoring and evaluating purposes, agree to full financial records disclosure;
* Demonstrate immediate (4-6 months) report that shows measurable impact as a result of RADP-E assistance.
* Target businesses in RADP-E value chains and operates in RADP-E targeted provinces.

**Evaluation Criteria**

Applicants who submit an EOI that is Approved to Proceed will be visited by RADP-E Program Staff to work with the applicant in completing an application. These applications will be evaluated according to the following criteria. Technical evaluations are significantly more important than cost. The relative importance of each criterion is indicated by the number of points assigned. A total of 100 points is possible. Applicants should understand these criteria serve to: (a) identify the significant issues Applicants should address in their proposals, if any, and (b) set the standard against which all applications will be selected.

**Completeness of Application (10 points)**

This section will mainly require applicant FIs to fill accurately and thoroughly all the sections of the EOI applications and submit all the related documents required as attachments. In general, the following points will be considered by RADP-E during evaluation:

* Is the application clear and legible?
* Is the contact information accurate?
* Is there proof of registration to operate as a legal financial institution entity in Afghanistan?
* Is there a clear description and understanding of the estimated cost and grantee cost-share?
* Ability for the reviewer to understand the grant application. What they propose to do, how they will do it, what they need, impact and sustainability? Is there sufficient information about the applicant FI including structure, management, products & services, portfolio and others?

**Proposed Grant Activity (30 points)**

This section will mainly require the applicant FI what they require from RADP-E to improve access to finance and reflect positively on the FI. The application should state how the suggested idea is important and will help the financial institution and the agriculture finance sector.

In general, the following points will be considered by RADP-E during evaluation:

* Is the Activity Description section of the application completed with sufficient detail to understand what the applicant is proposing?
* Are the Project Objectives clear on what the applicant will accomplish with this grant?
* Does the proposed activity describe how improved access to finance will help the companies to apply for and receive loans?
* Does the proposed activity describe how the applicant will address the problem of lack of access to finance?
* Does the proposed activity describe clear Marketing Strategy that how the applicant financial institution will reach to its potential clients?
* Does the applicant clearly describe and understand how they will address difficulties in implementing their suggestion, enhance and motivate loan applications?
* Extent to which the application addresses Women and Youth integration and increase such groups participation in the formal sector.
* Are there clear performance indicators that applicant can measure the performance and impact of its intervention?
* How will the applicant keep records and any changes resulting from the grant?
* How the proposed activities contribute to RADP-E access to finance goals, objectives and indicators?
* Is there a clear reporting mechanism the applicant suggests following?

**Innovation, Risk Share and Value Chain Impact (40 points)**

All three of the below criteria are related to some degree. This section will mainly require the applicants to provide detail information on innovation, risk share (matching contribution) and value chain impact. In the review of applications, RADP-E evaluation committee will evaluate based upon how well the applicant addresses the below evaluation criteria:

a. Innovation:

* Is what the applicant proposing innovative? Is this something new? A new product, tool or channel for reaching customers? A new technology? A new operation system or application? A new idea that the applicant wants to try but needs assistance? Business expansion in the current market? A new way of improving business? RADP-E will score based upon new and innovative ideas to be used for the grant assistance they are requesting.

b. Risk Share

* Is what the applicant proposing something that they are unable to undertake with current resources? Is it an activity where RADP-E can help share the risk?
* Is there any matching contribution from the applicant for this activity? What is it? and how will the applicant provide the contribution?
* What is the matching contribution?

c. Value Chain Impact

Applicants who propose activities that **only** impact their business activity will score low. Applicants must demonstrate how RADP-E assistance will improve or provide benefits across the value chain as well enhance access to finance for the value chain players.

**Sustainability of Grant Activity (20 points)**

This section mainly deals with providing information on how the proposed activity will be sustainable. The applicant must provide detailed information on the sustainability of proposed activity. In general, the following points will be considered by RADP-E during evaluation:

* Detailed information about how the proposed activity or product will be self-sustained. The application should show in detail how the activity will generate revenue or benefits to be sustained? Is there a plan for how the applicant financial institution will promote and market the proposed activity or products once RADP-E assistance ends?

**ANNEX IV Support to Afghan Business Service Providers**

**Background Justification**

One of RADP-E project objectives is to improve the business and financial management capacity of Micro, Small, and Medium sized Enterprises (MSMEs) and agro businesses through the use of private Business Service Providers (BSPs). In line with project objectives, Business Service Providers directly support improvements in management, marketing, accounting, product diversification, product improvement quality assurance, financial management, human resources, business planning, training, business development, networking, product transport and shipment, ICT and other priorities for sustainable growth of Afghan enterprises.

BSPs in Afghanistan are primarily engaged in training activities, business planning, market research and analysis and finance/audit services. The majority of these ‘training’ activities tend to be directly or indirectly related to donor funded assistance programs. There is a market for business consulting services and opportunities do exist in the private sector for targeted assistance for MSMEs from private business service providers. The intent of this program is **not** for Business Service Providers to provide a service that donors feel is needed, **but** for Business Service Providers to propose innovative approaches that they themselves have identified and have proposed solutions that would benefit from RADP-E co-investment.

RADP-E plans to support innovative ideas from Business Service Providers for activities that expand their client base and types of services offered for RADP-E value chain actors. Objectives of this activity are:

* Create demand for business services needed by local agribusiness companies;
* Create a sustainable source of a wide range of business services;
* Capacity building of local business service providers; and
* Improve the skills and qualification of local business service providers in extending their services to agribusinesses in RADP-E target area and value chains.

**Program Description**

RADP-E will award technical support improvement grants in providing wide range of business services to Business Service Providers who meet the program criteria set forth in the Annual Program Statement. The business services requested to finance by Business Service Providers should be compliant with project goals and objectives. Key in this solicitation is the need to receive good ideas from Business Service Providers to provide services that have a positive impact on the RADP-E target value chains and value chain actors (MSMEs) involved in one or more of RADP-E target value chains (apricot, dairy, poultry and tomato).

**Example of types of activities to be invested by RADP-E:**

* Support MSMEs involved in RADP-E target value chains of apricot, tomato, dairy and poultry in applying for certification and compliance to international standard, including development food safety management systems, training and audit.
* Provide technical and business development support to agribusinesses to develop and improve business relationships; examine their operations and develop bankable, growth-oriented business plans; facilitate access to financing; improve domestic and international market penetration; and grow sales.
* Technical assistance and training to livestock organizations and agribusinesses to examine their business operations, develop strategies to increase efficiencies and grow sales, and develop bankable business plans.
* Support MSMEs in access to finance, loan package development, business plan development, financial statement development, including development of financial management system, training and audit.
* Support of processors and exporters in access to domestic and international markets, trade facilitation, product promotion, market research and analysis, marketing plan development, proposal development
* Support exporters in export process and procedures, custom clearance, certificates
* Support MSMEs in introducing and/or improving business and financial management, including training on accounting, marketing and etc.
* Support MSMEs in marketing activities, including product promotion, development of marketing material such as logo, brand name, catalogues, video material and etc.
* Support MSMEs in applying for tenders announced by local companies and governmental agencies.
* Support MSMEs in adoption and application of relevant ICT in their businesses.
* Conduct internal audit for SMEs on business and financial management.

**Eligibility of Criteria for Business Service Providers**

* Be a legally registered Afghan business;
* Be operational in the RADP-E target area (Kabul, Parwan, Kapisa, Logar, Wardak, Ghazni, Laghman and Nangarhar) for at least a year;
* Have sufficient financial resources to implement activities;
* Currently engaged in providing business services and has proven technical experience and knowledge in the area of interest;
* Be innovative in designing and implementing activities mentioned above;
* Have sufficient human resource in administration and has the tendency to hire and connections with technical and qualified staff for business development services provision;
* The organization must be operating for at least 2 years in the provision of business services;
* For monitoring and evaluating purposes, agree to full financial records disclosure; and
* Demonstrate immediate (4-6 months) and measurable impact as a result of RADP-E assistance.

**Selection Criteria for Business Service Providers Recipients**

The below set forth criteria will serve as guideline for selecting businesses for the provision of business services:

* Be a legally registered Afghan business;
* Submit a completed EOI form;
* Be operational in the RADP-E target area (Kabul, Parwan, Kapisa, Logar, Wardak, Ghazni, Laghman and Nangarhar) for at least a year;
* For monitoring and evaluating purposes, agree to full financial records disclosure;
* Provide a minimum of 50% in-kind contribution as part of their activity;
* Demonstrate immediate (4-6 months) and measurable impact as a result of RADP-E assistance.

**Evaluation Criteria for Business Service Providers**

Applicants who submit an EOI that is Approved to Proceed will be visited by RADP-E Program Staff to work with the applicant in completing an application. Applications will be evaluated according to the following criteria. Technical evaluations are significantly more important than cost. The relative importance of each criterion is indicated by the number of points assigned. A total of 100 points is possible. Applicants should understand these criteria serve to: (a) identify the significant issues Applicants should address in their proposals, if any, and (b) set the standard against which all applications will be selected.

1. **Completeness of Application (10 points)**

This section will mainly require the applicant to fill accurately and thoroughly all the sections of the applications and submit all the related documents required as attachments. In general, the following points will be considered by RADP-E during evaluation:

* Is the application clear and legible?
* Is the contact information accurate?
* Is there proof of registration to operate as a legal business entity in Afghanistan?
* Is there a good description and understanding of the estimated cost?
* Ability for the reviewer to understand the grant application. What they propose to do, how they will do it, what they need, impact and sustainability?

1. **Program Description (60 points)**

This section will mainly require the applicant to write in his/her own words what the applicant is proposing is innovative and will bring improvement in operation, marketing and etc. of the mentioned actors in RADP-E targeted one or more of the value chains; will the idea help to increase the sales of improved products in domestic and international market in one or more of the 4 value chains; they should state that why the assistance they are requesting from RADP-E is important for agribusinesses; how will he applicant implement this activity; what are his/her plans management and monitoring. More specifically, the following points will be considered:

**a**. ***Proposed Activity (30 Points)***

* Is the proposed activity provide sufficient detail to understand what the applicant is proposing?
* Does the proposed activity describe how improved and/or expanded operation will help the companies to increase the sales? And / or what plans does Business Service Providers have to target new customers?
* Does the proposed activity describe clear Marketing Strategy that how will agribusinesses reach to its potential clients and how will their products be useful for local business community?
* Does the applicant clearly describe and understand how they will address difficulties in providing qualified business services?
* Is the proposed activity innovative? Is this something new? A new idea on strengthening business linkages of agribusinesses? An innovative business strategy or market plan to expand their operation in domestic and/ or international market? A new operation system?
* Extent to which the application addresses Women and Youth integration and how well the applicant will maintain coordination with relevant government departments.
* Applicants must propose activities which not only addresses the constraints of the targeted businesses but the idea should have a favorable impact of the upstream and downs stream actors of value chains.

***b. Implementation Methodology (15 Points)***

* Does the applicant clearly state that what methodology will be used to reach the goals and objectives of the proposed activity; reasons that why this methodology is effective for a smooth implementation. How will be the start up? What is the timeline for the activity implementation?

***c. Management Plan for program implementation and monitoring (15 points)***

* Is there information on how the applicant will measure improvement of company's operation and increased sales resulting from the grant activity?
* How will they measure and share the success and share with it RADP-E.
* How will the applicant keep records of implementation and how will the applicant enable agribusinesses in keeping the records of implementation and success.

1. **Management/Organizational Capacity (10 points)**

* Personnel: strength of proposed staff including their relevant technical expertise, and staffing plan
* Organizational capacity to provide business development services

1. **Past Performance with Knowledge in Technical Area (10 points)**

Demonstrated knowledge and experience providing business development services and implementation of similar programs targeting food processors, traders, exporters in targeted provinces.

1. **Sustainability of Grant Activity (10 points)**

This section will mainly deal in providing information on exit plan by the applicant that how will the proposed activity be sustainable when RADP-E assistance ends with the service provider; how sustainably will agribusinesses utilize the services provided by the applicant after the program ends.

**ANNEX V: Grant Assistance to Target Value Chain Actors**

**Background Justification**

RADP-E grant assistance to target value chain actors includes a number of interventions designed to provide firm-level strengthening of specific upper-level value chain enterprises that play critical roles in the four value chains. Interventions include the Co-Investment Grants program which provides co-investment funding for a wide range of market development actions including: market promotions and market discovery costs (trial shipments, commercial promotions in foreign markets, local marketing consultants, inspections); equipment and plant upgrades; and upstream supply chain investments. RADP-E anticipates that grant recipients will play a key role as value chain anchor firms for introducing innovations into different value chain segments and for developing new markets both domestically and internationally. Further, these grants may include interventions that include the provision of specific firm-level technical assistance and consulting to address technical constraints related to processing efficiency, product quality, or any other technical problems that may arise.

**Program Description**

RADP-E will award Co-Investment Grant assistance to qualified businesses who meet the program criteria set forth in this request for applications. All grants will require a minimum of 50% cost-share contribution in order to be considered. Key in this solicitation is the need to find innovative market development ideas from the private sector. Rather than provide the exact details of what RADP-E will fund, we are looking for ideas that the applicant wants to implement but is unable to due to high cost, risk or lack of resources. Co-Investment Grants to processors, dryer, exporters, wholesalers and distributors provide co-investment funding for a wide range of market development actions including, equipment and plant upgrades and upstream supply chain investments. In addition, Co-Investment Grants to input suppliers (manufacturers) will be offered in each value chain to upgrade facilities or diversification in their produced goods and services to farmers.

**Example of Types of Activities**

**Tomato Value Chain**

* Co-Investment Grants to grow volumes of high-quality dried tomatoes. These will include working with farmers to improve post-harvest handling operations and, where feasible to introduce improved farm-level drying technology such as solar driers. These grants will serve as ‘anchor grants’ for catalyzing improvements downstream to farmers and to the upstream international market.
* Co-Investment Grants to Tomato Processors (paste, ketchup, sauce, spices, can, etc.). The grants will including investment in new processing equipment; new packaging investments; marketing promotions activities.
* Co-Investment Grants to fresh tomato exporters/wholesalers/distributors. These grants will offer cost-share funding for upstream raw material buying improvements, processing and packaging equipment, and downstream marketing and promotional materials.
* Co-Investment Grants to In-Season and Off-Season Tomatoes input suppliers (farmer service centers, ag-depots, input wholesalers and retailers) to upgrade their facility or diversify their input products.

**Apricot Value Chain**

* Co-investment grants to Fresh and Dried Apricot Processors/Traders/Exporters in a wide range of market development activities through raw materials purchasing and working with farmers to improve harvest and post-harvest handling operations.
* Co-investment grants to Fresh and Dried Apricot Processors/Traders/Exporters though provision of improved equipment; pack-house improvements and equipment; new packaging investment; marketing activities (including international market promotions such as trial shipments, market tests, third party product testing, and advertising).
* Co-investment grants to apricot processor/traders/exporters through provision of new technology such as apricot solar driers, washing machine, fumigation machine, grading machine, packaging machine, etc. These co-investment grants intends to build the apricot export companies capacity to meet international market quality demand. Thus, these grants will cover potential grantees from different type of businesses, such as internalized processing operations and businesses without source drying models.

**Dairy Value Chain**

* Co-investment with anchor dairy processors as key leverage points in the value-chain and partners in improving milk quality through training, increasing milk collection volumes, boosting the productivity of processing, and developing existing and new markets for dairy products maximizes.
* Co-investment (technical) grants to MSMEs (companies, associations, cooperatives and women business groups) that are interested to establish milk collection centers, expansion of their existing milk collection business and/or interested to promote their milk collection businesses.
* Co-investment grants to Milk Processors have demonstrated a commitment to investing both upstream to secure their milk supply chain and downstream to develop markets for their products that promotes sustainability and to improve business competitiveness, facilitate linkages with upstream and downstream actors.
* RADP-E through its co-investments with processors will seek opportunities to assist women to form milk bulking groups to expand women’s role into processing by specifically seeking out women-run processing business for co-investment support as well as expanding direct training of women’s groups in product diversification.

**Poultry Value Chain:**

* Co-Investment Grants to slaughterhouses (both full automatic and semi-automatic slaughterhouse)/ butchers (processing 50-100 chicken per day)/Feed producers/Traders/ Commercial Poultry Broiler Producers and Commercial Egg Producers.
* Con-Investment grants to commercial farms making investments in packing/slaughtering, distribution and retailing; slaughterhouses and packers making both upstream investments into commercial production and downstream investments into distribution and retailing; and retailers/distributors making upstream investments in packing/slaughtering and production. These co-investments will cover a range of different activities such as production, upgrading the processing plants, diversification in products, improving the cold chain, packaging, and distribution.
* Co-Investment Grants to poultry input suppliers making investments in plant upgrading facilities input product diversification such as feeder, drinkers, trays or poultry feed.

**Specific Eligibility Requirements**

* Submit a completed EOI form.
* Be a registered Afghan business.
* Have branches/retailers in RADP-E’s coverage areas.
* For monitoring and evaluating purposes, agree to full financial records disclosure.
* Agree to participate in RADP-E Basic Accounting and Marketing training.
* Provide a minimum of 50% in-kind contribution as part of their activity.
* Have a minimum of 2 full time employees.
* Be within the apricot, tomato, poultry and /or dairy Value Chains.
* Demonstrate capacity to increase production and be able to implement a marketing plan upon the completion of RADP-E assistance.
* Demonstrate immediate (4-6 months) and measurable impact as a result of RADP-E assistance.

**Evaluation Criteria**

Applications will be evaluated according to the following criteria. Technical evaluations are significantly more important than cost. The relative importance of each criterion is indicated by the number of points assigned. A total of 100 points is possible. Applicants should understand these criteria serve to: (a) identify the significant issues Applicants should address in their applications, if any, and (b) set the standard against which all applications will be selected.

1. **Completeness of Application (20 points)**

Relates to Section I (General Information) of the grant application.

* Is the application clear and legible?
* Is the contact information accurate?
* Is there proof of registration to operate as a legal business entity in Afghanistan?
* Is there a good description and understanding of the estimated cost and grantee cost-share?
* Ability for the reviewer to understand the grant application. What they propose to do, how they will do it, what they need, impact and sustainability?
* Is there information on how the applicant will measure increased sales resulting from the grant activity?

1. **Proposed Grant Activity (30 points)**

This section will mainly require the applicant to write in his/her own words that basically what they require from RADP-E to expand their business, improve the quality of product and increase the supply high quality product to national and international markets in 4 value chains; they should state that why the assistance they are requesting from RADP-E is important for his/her company and agribusinesses; how effectively they will do their marketing activities to reach potential customers. In general, the following points will be considered by RADP-E during evaluation:

* Is the Activity Description section of the application completed with sufficient detail to understand what the applicant is proposing?
* Are the Project Objectives clear on what the applicant will accomplish with this grant?
* Is there information on how the applicant will use the materials that they are requesting from RADP-E?
* Is there sufficient information on how the applicant will coordinate proposed activities with government entities (PAIL/MAIL etc...)?
* How the applicant will integrate women and youth in the proposed activity?
* How the applicant will market their product?

1. **Innovation, Risk Share and Value Chain Impact (30 points)**

Relates to section III (Proposed Grant Activity). All three of the below criteria are related to some degree. In the review of applications RADP-E evaluation committee will evaluate based upon how well the applicant addresses the below evaluation criteria:

a. Innovation:

* Is what the applicant proposing innovative? Is this something new? A new business connection with an international firm? A new technology? A new idea that the applicant wants to try but needs assistance? A new market expansion? A new way of improving business? RADP-E will score based upon new and innovative ideas to be used for the grant assistance they are requesting.

b. Risk Share

* Is what the applicant proposing something that they are unable to undertake with current resources? Is it an activity where RADP-E can help share the risk?
* Is there any matching contribution from the applicant for this activity? What is it? and how will the applicant provide the contribution?
* What is the matching contribution? For example: farmer trainings, demonstrations, organizing production staff, staff training, and other activities where the applicant shows that they are also contributing to the grant activity.

c. Value Chain Impact

* Applicants who propose activities that only impact them or their business activity will score low. Applicants must demonstrate how RADP-E assistance will improve or provide benefits across the value chain. If RADP-E provides a piece of equipment how will that new technology effect their suppliers or buyers or clients or staff?

4. **Sustainability of Grant Activity (20 points)**

* Is there a plan for how the applicant will continue the proposed activity once RADP-E assistance ends?
* Did applicant receive/willing to receive any assistance from donor’s project?
* Does the applicant have a plan on applying for or receiving loans or other resources to continue the activity once RADP-E assistance ends?