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**CALL FOR EXPRESSION OF INTEREST**

**Number: MDRD-EOI-01-24**

**Issuance Date**: February 13, 2024

**Submission due date:** February 28, 2024

**Review Dates:** Review of Expression of Interests will take place on/about March, 2024

**Period of performance:** Approximately 12 months

**Background**

The United States Agency for International Development (USAID) recently awarded ACDI/VOCA the five-year Market Driven Rural Development (MDRD) Activity. MDRD will accelerate Tajikistan’s agriculture sector growth through a facilitative, inclusive market systems approach that enables inclusive access to economic opportunities in rural communities, with a focus on the vegetable, fruits, and dairy sectors in Tajikistan. The Activity will prioritize i) women- and youth-owned, managed, and operated businesses and those businesses that catalyze opportunities for women and youth and ii) climate-smart practices, technology, and investment.

MDRD has three primary objectives.

Objective 1: Increased investment in the agriculture sector

Objective 2: Improved value chain productivity

Objective 3: Greater access to profitable markets

At the end of the program, Tajikistan’s agriculture sector will become more competitive and resilient, where fragmented farmers, in close and mutually beneficial cooperation with private agribusinesses, will increase the profitability of their farms and have access to services that facilitate formal linkages with regional and international markets. These activities will result in increased investment in the agriculture system, at least $15 million in private sector investment and 500 small-medium enterprises strengthened, which will lead to an estimated 1,200 MT of carbon sequestered through climate-smart practices.

The proposed interventions should be linked to the Value Chains of the project, including:

* Vegetables: tomato, onion;
* Fruits: apricot, cherry, grapes;
* Berries and nuts
* Dairy (processing and fodder production)

**SECTION 1: MDRD SUMMARY DESCRIPTION**

1. BACKGROUND

In Tajikistan, dehkan farms, exporters, processors, and retailers are faced with a shortage of warehouse infrastructure for the temporary storage of vegetables and fruits. Due to the shortage of distribution centers and warehouses that meet the temperature requirements for storing products, entrepreneurs are forced to build refrigerated warehouses on their plots, in the basements of their own houses, or purchase small country plots to store and process products. Currently, entrepreneurs lack access to functional cold storage facilities, resulting in fragmented supply, high post-harvest losses of perishable commodities and low market prices. Storages owned by entrepreneurs (buyers, processors, dehkan farms etc.) are generally neither insulated nor equipped with room temperature and humidity control systems, processes and equipment leading to variations in temperature and humidity that can alter quality and spoil perishable products.

Additionally, there is a substantial demand for refrigerated trucks, but due to their high costs, entrepreneurs resort to retrofitting their trucks with refrigeration units to provide transportation services for perishable agricultural goods.

1. ACTIVITY AND GEOGRAPHIC FOCUS

The MDRD geographic focus is nationwide, working across all regions (DRS, Khatlon, GBAO & Sughd).

Through its inception phase and early process of engaging private sector companies MDRD has realized, there is a high demand for modern cold storage services. Currently, there exists a gap between the construction of cold storage facilities and potential customers, as many entrepreneurs are unaware of qualified companies specializing in the design, construction, and upgrading of cold storage facilities. Consequently, MDRD is actively seeking a company that offers construction, insulation, and modernization services for cold storage to meet the needs of interested entrepreneurs for collaboration in improving the market relationship between supply and demand.

The Activity solicit applications to address constraints and capitalize on opportunities to improve storage conditions and access to quality services by promoting cold storage construction, insulation, and modernization services among potential customers.

The Activity invites companies/ firms who are interested in promoting cold storage construction, insulation, and modernization services among potential customers (exporters, processors, buyers, retailers, farms etc.). Companies should have proven experience in providing cold storage construction/modernization services but interested in extending the business and increase number of customers.

For this purpose, MDRD will select several local partners to promote their services among potential customers; to create new attractive product/service and covering the risks; to generate additional sales of equipment/digital tools; and to build their capacities to comply with local and international standards. (marketing, technology Food Safety management and cold storage warehouse management).

The Activity will provide both technical and financial support to execute the proposed and agreed upon business model/idea, including but not limiting to the followings:

* MDRD can facilitate the access to finance from financial service providers/investment funds as well as to its own funding resources which will be defined based on companies’ proposed concepts, upon assessment of each project.
* The companies will be required to leverage 50% investment (minimum) to total budget proposed towards the implementation of the activity (1:1 contribution) of the total cost. The final agreement will be negotiated with selected, qualified companies.
* MDRD can support the promotion of cold storage construction/modernization services among potential customers.
* MDRD is interested in supporting the companies in the creation of new attractive products/service and co-share the risks.
* MDRD fosters the innovative solutions such as generation of additional sales of equipment/digital tools; and to
* Support the capacity building in marketing, technology and Food Safety management and cold storage warehouse management.
* Other technical support as needed for successful implementation of the proposed models/ initiatives.

**The following are the expected results MDRD is planning to achieve upon cocreation with potential partners:**

* Farmers, aggregators, traders, exporters, and other interested entrepreneurs have access to companies qualified in design, construction and upgrading of their cold storage facilities.
* New attractive products/services on construction, insulation, and modernization services for cold storages, including access to transportation facilities equipped with temperature control are introduced in the market (with at least 10 sales annually) which are affordable and sustainable.
* Access to high quality warehouse infrastructure for storage of vegetables and fruits is widened and im-proved.

**SECTION 2. AWARD INFORMATION**

1. AWARDS TYPE AND VALUE

MDRD anticipates awarding In-Kind, Fixed Amount or Standard Grant mechanism for implementation of projects as a financial or technical support. The award mechanism will depend on the capacity of the applying organization/company.

1. PERIOD OF PERFORMANCE

The period of performance is 12 months and anticipated to commence in March 2024, but dependents on donor’s approval.

1. COST SHARE REQUIREMENTS

Final budget and leverage amount will be negotiated and determined after completion of co-creation process. Applicants must be able to demonstrate their ability to leverage a contribution an amount equivalent around/to 50% of the proposed project budget. Applicants that provide higher levels of leverage contributions will be reviewed more favorably during evaluation during second phase evaluation. Applicant contributions may be in the form of expert’s time, space, equipment, supplies, and other expendable property, and the value of goods and services directly benefiting, and specifically identifiable to, the grant results. A leverage contribution from recipients to address the identified need is highly encouraged.

1. FUNDING RESTRICTIONS

The following restrictions apply to awards issued under this EOI.

* The award will not allow the reimbursement of pre-award costs. That is, only allowable obligations incurred during the period defined within the grant agreement will be covered by the Grant.

**SECTION 3. ELIGIBILITY INFORMATION**

1. ELIGIBLE APPLICANTS

Small and medium enterprises particularly with proven experience in providing cold storage construction/modernization services and interested in extending the business and increase number of customers.

All organizations that have not previously received USAID funding are specifically encouraged to apply. To be eligible for an award, applicants must;

* For organizations and medium enterprises:
* Be legally registered.
* Are in good standing with all civil and fiscal authorities.
* Possess financial accountability and maintain detailed records of all expenses.
* Do not have a negative determination on the SAM, UN 1267, or OFAC Blocked Persons Lists.
* Are willing to sign applicable assurances and certifications prior to award; and
* Can leverage their own resources to achieve project objectives.

Unallowable expenses

* Activities deemed unnecessary to accomplish grant purposes as determined by MDRD, including any office or administrative expenses that are not directly linked to the implementation of the project.
* Previous obligations and/or bad debts, Fines, and or Penalties.
* Creation of endowments or revolving funds.
* Activities that duplicate the activities of other USG-supported programs or programs conducted by other organizations in MDRD target districts.

**SECTION 4. SUBMISSION INFORMATION**

1. INSTRUCTIONS

Eligible Applicants should submit a Expression of Interest Form following the format provided in Attachment A and organization portfolio describing organization’s capacity and qualification.

The Expression of Interest form should confirm the company willingness to contribute their time as leverage contribution to the project implementation.

1. SUBMISSION DATES AND TIMES

Expression of Interest (EoI) will be reviewed as noted on the first page of this solicitation EoIs submitted after the indicated Closing Date will not be accepted.

1. SUBMISSION POINT OF CONTACT

Questions and Letter of Interest must be submitted electronically, in Tajik, English or Russian, within the dates indicated on the first page of the solicitation. They should be directed to [mdrdgrants@acdivoca-tj.org](mailto:mdrdgrants@acdivoca-tj.org) with the subject line MDRD-EOI-01-24

**SECTION 5. REVIEW INFORMATION**

1. INITIAL SCREENING

Upon receipt of Expression of Interest, the MDRD Market Fund Partnership Manager will conduct first eligibility review of each application to ensure it meets the minimum requirements before proceeding with technical review. The initial screening requirements include:

* Applicant has submitted Expression of Interest using the template.
* Applicant provided information about organization’s portfolio as it is required in the application form.
* Applicant meets the eligibility criteria listed in section 3; and
* Applicant is not found with a negative determination in the SAM, OFAC, or UN 1267 lists.

1. EVALUATION CRITERIA

All Expression of Interest that pass the initial screening will be evaluated by MDRD Evaluation Committee based on the following evaluation criteria:

1. Experience in the market providing required services on cold storages construction and equipment. **30 scores**
2. Business capacity, coverage area of the service: list of districts, client base, range of service. **40 scores**
3. Leverage: The recipients' willingness to contribute their own in-kind funds or other sources of funds (leverage), the applicant’s ability to leverage other funds towards the change, and the transformation, or multiplier, that is achieved on that investment in the system. **20 scores**
4. Previous Support: Applicants prior support from other sources the past three years may be evaluated. Considerations include technical area focus, amount of support, and donor source.  **10 scores**

**SECTION 6. APPLICATION PROCESS AND AWARD INFORMATION**

1. APPLICATION PROCESS

As described above, this EOI will follow a two-stage process to select the final Grantees:

1. Applicants must first submit a Expression of Interest. MDRD will conduct an initial review based on the criteria provided in Section 5. Organizations with successful EoI that demonstrate an alignment with the project objectives and satisfy the minimum requirements will be invited to a co-creation session and due diligence process and subsequently sign grant agreement. MDRD will host Co-Creation where the team will provide further details on full description development.
2. In co-creation process MDRD and selected applicants will work on designig of the business strategy on promoting and selling their products. It may include several meetings with partner including meetings with third parties as value chain actors, representatives of banks and other business, to define and assess existing constrains, compile proposed solutions which will help on developing solid strategy. Based on result of the co-creation process MDRD will define award mechanism which may include involvement of third particies who are interested to be part of this project and commite a technical or financial contribution.
3. Applicants that are invited to the next stage will be provided detailed implementation plan and budget templates. While MDRD will guide applicants through this process, the applicant is expected to actively contribute during the co-creation process and lead the development of a full description of the project.
4. MDRD evaluation committee will make the final decision based on the same criteria provided in SECTION 5.3 after completion of the co-creation process and notify applicants within one month period.
5. The MDRD team will organize offline and online information sessions to provide detailed information on this solicitation and answer all questions raised by potential applicants. Info session is scheduled on February 20th at 16-00 Dushanbe time at the MDRD office located on Rudaki Plaza, 7th floor, Dushanbe city. Applicants who prefer online participation can attend these meetings by using [this link](https://us06web.zoom.us/j/89238130496?pwd=Um6AbM60Vnpp7ZAPn5VyawEEEIN9E6.1).
6. BASIC RISK ASSESSMENT/PRE-AWARD REQUIREMENTS

Notification of a successful Expression of Interest or **invitation to submit a full application is *not* a notification that the applicant will receive an award**. MDRD will conduct a thorough cost analysis of the proposed budget to ensure all costs are reasonable, allowable, and allocable in accordance with USAIDs cost principles. MDRD will also conduct a pre-award risk assessment withing due diligence process and applicants will be asked to provide additional documents be not limited to signed copy the Certification Regarding Terrorist Financing

1. AWARD ADMINISTRATION

A grant award will be administered in accordance with applicable regulations stipulated in grant agreement and with reference to:

* For non-U.S. organizations, 2 CFR 200, [ADS 303mab, Standard Provisions for Non-U.S. Nongovernmental Organizations](http://www.usaid.gov/ads/policy/300/303mab) will apply.

1. REPORTING REQUIREMENTS

As a condition of the award, all grant recipients will be required to submit program report on program progress and report on their leverage contribution to the activity. Applicants should understand and acknowledge that after completion of the funding period they will allow MDRD and USAID staff to the project site for monitoring visits and they provide data for the assessment of the program results. The frequency and type of reports will vary depending on multiple factors but will be discussed with the organization prior to award.

**Annex A - expression of Interest Form**

### Information about the company/entity

|  |  |  |
| --- | --- | --- |
| Name of the company/entity (in case of consortium, name of lead organization) |  | |
| Company/entity address and/or website |  | |
| Contact Person (on behalf of the company/entity) | Name: |  |
| Designation: |  |
| Contact:  Number: |  |
| Email: |  |
| Legal status/ registration form: |  | |
| Place and year of incorporation/registration: |  | |

### Technical Proposal [maximum 2 pages]

|  |  |
| --- | --- |
| Name of proposed business model/concept: |  |
| Total outreach | [number of farmers and other market actors that will be reached through the proposed concept] |
| Proposed duration of the project (maximum 12 months) |  |
| Proposed total budget in TJS |  |
| Proposed leverage contribution in TJS |  |

|  |  |
| --- | --- |
| 1. **Market opportunities and constraints** | |
| The challenges, or opportunities the proposed concept/model is trying to address, including the core business interests and objectives which motivates the company/entity to address the challenge or opportunity. |  |
|  |  |
| 1. **Proposed business model adding value to existing system** | |
| What is the proposed inclusive business model to address the key market constraint and explore the market opportunity? What are the approaches to include women and youth in the business model? |  |
| How will the proposed business model add value to the current market? |  |

|  |  |
| --- | --- |
| 1. **Target group and Geographic working area** | |
| Who are the target group benefitting from the proposed model? How will you reach the farmers and other customers? |  |
| How will you include women, youth and other marginalized groups as customer and/or service providers? Are there any special risks or considerations needed to include women and youth? |  |
| Please mention the district, subdistrict names. |  |
| 1. **Proposed activities, risks/assumptions and work plan** | |
| What are the key activities and expected results to achieve and within what time frame? |  |
| Please mention what risks are foreseen or assumptions considered to implement the activities. How will these risks be managed? |  |
| 1. **Sustainability plan** | |
| Please indicate the future plans beyond the project period and funding support. |  |
| How will the proposed business model sustain? |  |
| How will you expand in new geographic areas, reach more target groups after this partnership ends? |  |
| 1. **Reasons for seeking the partnership** | |
| Why are the funds from MDRD Activity required instead of commercially available finance? How can the activity support the partnership in a way the partner would not otherwise be able to do themselves? |  |
| Mention if there are other sources of funding used to test this business model/concept. Details may be explained as part of the financial proposal. |  |

### Organization capacity [maximum 1 page]

**The description should include the following:**

|  |  |
| --- | --- |
| 1. Brief on the background of organization, capacity in providing cold storage construction/modernization service. 2. Portfolio of company 3. Current geographic area of work. |  |
| **Details of current work and/or work experience in providing cold storage construction/modernization service.** | |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Client | District | Email | Phone | Provided service | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | | |
|  | |
| Experience or partnership with any development projects/agencies, government projects, any USAID funded projects, NGOs, international entities, or social programs. This is not a requirement but to inform if the applicant is currently active with other development projects. | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. Nos. | Project Name/Type of partnership | Name of development agencies (NGO, donors etc.) | Status of engagement (active/closed) | Geographic working area (City, District) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

### Financial proposal

NOTE: Financial proposals must follow the budget template below.

* The budget may be shared in a Microsoft Excel file, but it is not mandatory.
* Applicants must contribute to at least 50 % of the total proposed budget. *Operation and administrative costs are discouraged from being included in the budget (e.g., staff salary, rent etc.)*.
* MDRD Activity does not cover the costs of existing core team salary, fixed assets, office, and operational equipment.
* If any applicant wants to add additional information relevant to the budget or any line item of the budget, please add columns to the right of the above template.

**Application Budget Template:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Activity/Head of Expense | Unit name  (e.g., month/ day/ session/ number/ batch) | Unit/ Quantity | Unit cost | Total cost | Company contribution |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
|  | Total cost in TJS | | |  |  |  |
|  | Total contribution (in %) | | |  |  |  |

The proposed budget should only show costs that are necessary and reasonable to perform the activities described in the technical proposal.

|  |  |
| --- | --- |
| For and on behalf of (name of Applicant): | Signature:  Full name of the signatory: |