

REQUEST FOR APPLICATIONS (RFA) FROM POULTRY VALUE CHAIN MARKET ACTORS

RFA-KCDMS-FY2020-027

Kenya Feed the Future Crops and Dairy Market Systems Activity

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Closing date: March 14, 2020

1.0. Program Background

The Kenya Crops and Dairy Market Systems Activity (KCDMS) is a five-year (Oct 2017–Sept 2022) project of the United States Agency for International Development (USAID). It is funded as part of the U.S. Government’s Global hunger and Food Security Initiative, Feed the Future, with an aim to contribute towards increased agricultural productivity, enhanced food and nutritional security as well as increased employment, especially amongst the rural population. The project is operational in 12 counties namely **Kitui, Makueni, Taita Taveta, Homa Bay, Migori, Kisii, Kisumu, Siaya, Kakamega, Bungoma, Busia, and Vihiga** and is designed to support value chain actors in dairy, fodder/feeds, poultry and horticulture.

Chicken production and marketing has been identified as a leading contributor to rural household incomes with the potential to positively impact the lives of women and youth. The sub-sector however faces several challenges key among which include sub-optimal production owing to the prevalence of subsistence-based production systems, frequent disease outbreaks, highly fragmented supply chains as well as quality and food safety issues among others. Availability of quality chicks, feeds, vaccinations, and extension advice are critical production constraints. High cost of aggregation and unreliable supply pose challenges to cost effective commercialization for smallholder farmers.

In order to address the sub-sector’s systemic constraints, KCDMS intends to partner with key private sector players to implement poultry commercialization initiatives with the following objectives:

1. To increase the availability of quality chicken in adequate volumes from entrepreneurial farmers.
2. To increase adoption of semi-commercial and commercial chicken production systems among smallholders in the KCDMS’ Zone of Influence.
3. To enhance service delivery to chicken farmers including access to quality feed, chicks, veterinary products and services as well as extension support.
4. To increase the profitable participation of women and youth in the poultry value chain.

KCDMS therefore calls upon established ***hatcheries and chicken buyers/ off-takers*** as registered companies or as consortiums of companies to submit proposals that comprehensively map out innovative strategies to address the above started challenges in a commercially sustainable manner. Towards this end, KCDMS will award grants to the proposed winning initiatives. Prospective applicants are expected to contribute **at least 50%** of the total investment requested as cost share. (*Cost share refers to the verifiable and auditable resources a grantee contributes to the total cost of implementing an agreed activity or intervention*).

The focus counties for the poultry interventions are as follows:

Eastern Region: Kitui and Makueni.

Western Region: Bungoma, Busia and Vihiga.

Nyanza Region: Kisumu, Siaya and Homa Bay.

Applicants can propose to work in one or more of the above counties, preferably within the same region. KCDMS is also open to engage buyers/ off-takers whose operations may fall outside the above counties but will source chickens and provide support services in any of the aforementioned counties.

KCDMS' focus is on the promotion of improved kienyeji chicken. However, applicants may propose a model that blends improved kienyeji, with broilers and/or layers with strong justification. Applicants that are activity engaging women and youth within their supply chain and as customers are highly encouraged. Women and youth owned enterprises are strongly encouraged to apply.

2.0. Mandatory Requirements

This call is open to legally registered companies or consortiums of companies that exhibit the following characteristics:

- I. Have been in operation for at least one year.
- II. Handle at least 2,000 birds per month with potential to at least double volumes.
- III. Have demonstrable network of key players along the chicken value chain for example feed suppliers, veterinary and extension support providers and financial partners among others.
- IV. Willingness to organize farmers (preferably women and youth) into aggregation units for ease of access to services as well as markets.
- V. Able and willing to engage women and youth as market actors (sales agents, employees etc.)
- VI. Given the fact that KCDMS is co-investing in initiatives that are private sector led, applicants are expected to make a cost share contribution specifying the source.

3.0. Required Application documentation

- I. A comprehensive technical proposal as per the prescribed *RFA 027 Proposal Format*. The technical proposal **MUST** include the following details:
 - a. Annex with complete Profit and Loss statements for the last financial year.

- b. A copy of Certificate of incorporation.
 - c. 3-year profit and loss projections that include the average monthly purchase volumes of chicken for the proposed initiative.
 - d. Estimated number of farmers to be reached.
 - e. An indicative list of key partners such as agrovets, input suppliers, feed companies among others that the company or consortium has engaged.
 - f. List of proposed target county or counties of operation.
 - g. An implementation plan covering a duration of 18 to 24 months with grant funding concentrated in the first 12-14 months.
 - h. Clear outcomes of the proposed initiative including number of verifiable participating farmers (Disaggregating women and youth), volume and value of chicks and chicken traded among others.
 - i. A list of any past and/or current donor agencies that the company and/or consortium have engaged.
 - j. Where applications are submitted by a consortium, include a clear outline of each partner's roles and responsibilities.
2. A comprehensive implementation plan and budget clearly delineated along key outcomes and in line with the proposed implementation duration as per the template provided - *RFA 027 Projected Grant Cashflow*
3. **Please note that KCDMS DOES NOT fund the following items:**
- a. Construction or infrastructure activities of any kind, although limited construction may be included as part of cost share.
 - b. Ceremonies, parties, celebrations, or "representation" expenses.
 - c. Purchases of restricted goods, such as restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, or prohibited goods. Prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc. Restricted commodities include chicks, feeds, and veterinary drugs and cannot be purchased with grant funds. These inputs are critical to the business plan but are considered part of what you sell, and therefore do not count as cost share either, unless you are GIVING AWAY starter or demonstration kits for free.
 - d. Alcoholic beverages.
 - e. Purchases or goods or services restricted or prohibited under the prevailing USG Foreign Policy restricted countries.
 - f. Purchases or activities unnecessary to accomplish grant purposes as determined by the KCDMS Project.
 - g. Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee.
 - h. Purchase of second-hand goods or used machinery.
 - i. Creation of endowment funds for example gifts and donations among others.

Please Note: Any purchase made or activity undertaken prior to the awarding of the requested grant will not count towards the grant budget or the cost share.

4.0. Proposal Evaluation Criteria

- a) Ability to demonstrate long-term commercial viability with clear explanations as to how the proposed model will be sustained beyond KCDMS' support.
- b) Potential for sustained increase in smallholder chicken farmers' incomes.
- c) Extent to which the proposed model promotes efficient and cost-effective coordination throughout the chicken value chain.
- d) **Extent of inclusion of viable models that engage women and youth in the chicken sub-sector.** In particular, models that engage women and youth as service providers/agents for sale of inputs, capacity building, vaccinations, and aggregation, will be given preference.
- e) Return on KCDMS' investment based on proposed cost and benefit analysis for the grant funding (value for money). An application will have an advantage if it is able to demonstrate the potential of being an effective intervention at a lower cost.
- f) The level of investment committed by the applicant. **Grant requests in excess of KES10 million will be expected to offer significantly higher cost share than the 50% minimum required.**

5.0. Proposal Submission Guidelines

- Proposals must be submitted using the two official templates: **RFA 027 Proposal Format** and **RFA 027 Projected Grant Cashflow** and must not exceed fifteen (15) pages (excluding cover page and annexes).
- Bidders may submit written requests for the RFA 027 Proposal Format and RFA 027 Projected Grant Cashflow templates by sending an email to procurement@kcdmsd.rti.org.
- Application including cover letter, technical proposal and financial proposal should be submitted electronically to procurement@kcdmsd.rti.org by close of business on **March 14, 2020** with **RFA 027-KCDMS Poultry Value Chain Market Actors** in the subject line reference. The applications should be written in English language.

Disclaimer: Issuance of this RFA does not constitute an award commitment on the part of KCDMS nor commit the project to pay for costs incurred in the preparation and submission of an application. Further, KCDMS reserves the right to reject any or all applications received.