



USAID Agriculture and Food Systems Development Activity (AFDA)

Call for Application (CFA) for Partnership on Strengthening Agriculture Market Systems

The United States Agency for International Development (USAID) Feed the Future Agriculture and Food-Systems Development Activity (AFDA) will advance peace and reduce interethnic tensions by creating bonds of mutual self-interest and urban-rural linkages along production and market value-chains with marginalized ethnic groups in conflict areas. In line with the U.S. Government's Global Food Security Strategy, AFDA will facilitate the transformation of agriculture and food systems by increasing productivity, inclusiveness, and competitiveness of key sectors in the Zone of Influence: Shan, Kachin, Mandalay, Sagaing, and Magway.

AFDA will identify existing and potential market opportunities, incentivize firms to invest in their operations and supply chains, while pulling smallholder farmers and rural participants, many in ethnically divided areas, into expanded markets. AFDA will facilitate systemic change by using adaptive management and stakeholder-led processes to facilitate improved conditions and incentives for markets to work better for poor and marginalized populations. This will result in strengthened market linkages and improved service provision, input supply, and post-harvest value addition to meet market demand in a conflict-sensitive manner.

The AFDA will reduce gender gaps and advance women's empowerment through focused integration of gender-transformative approaches, including improving women's participation in leadership and management positions across all outcomes. The AFDA youth approach will incorporate youth as both drivers of market system change and promoters of new technology innovations. Finally, AFDA will improve organizational performance and capacity development of producer groups/associations and other institutions in lasting and sustainable ways to better serve members, suppliers, and customers.

The USAID AFDA intended outcomes:

- Outcome 1:** Increased economic interdependence among market actors of different ethnic backgrounds
- Outcome 2:** Increased access to agricultural support services
- Outcome 3:** Increased availability of improved inputs
- Outcome 4:** Smallholder supply-chains expand domestic and international market access

The above outcomes are expected to generate the following specific results within the implementation period of the Activity:

- Assisted farmers and firms increase their sales by \$42 million



- 3,500 new jobs created
- \$20 million new investments in agriculture
- 50% increase in household level social capital
- 125,000 individuals participate in the AFDA programs

Objectives of the CFA

The USAID Agriculture and Food Systems Development Activity (AFDA) aims to partner with market actors, including private sector and non-government organizations, who have the resources and are willing to co-invest in strengthening the agriculture market systems in the AFDA's zone of influence (ZOI) - Mandalay, Sagaing and Magway Regions, and Kachin and Shan States.

The partnerships under this CFA will address critical constraints preventing access to markets, agricultural services and inputs by smallholder farmers especially ethnic groups, women and youth. Through these partnerships, the AFDA will increase the productivity, inclusiveness and competitiveness of key market segments in the following sectors: pulses and beans, oilseeds, horticulture (fruits, nuts, vegetables), spices, beverage crops (tea and coffee), and grains other than rice.

The USAID AFDA will contribute the following resources to these partnerships:

- Technical Assistance including facilitation, technical, business and marketing expertise, advisory support and coaching, capacity building, strengthening linkages, etc.;
- Studies and research to inform market actors as they embark on critical business decisions; and
- Market Systems Development Fund (MSDF) cost-sharing investments

The Market Systems Development Fund (MSDF)

The MSDF is a grant instrument intended to support a range of activities that will lead to systemic changes in the market systems in the agriculture sector in the ZOI. The MSDF will be leveraged to:

1. Encourage the private sector by de-risking investment in pilot innovative technologies and business models to address systemic constraints limiting smallholder farmers' access to inputs, services and markets.
2. Mobilize private sector resources to scale up proven business models and technologies to accelerate transformation of market systems across the agriculture sector in the ZOI.
3. Promote inclusiveness through replication of successful business models and technologies in sectors where there is a preponderance of women and youth, and in areas dominated by ethnic communities.
4. To bridge a gap in financing due to insufficiency of resources or collateral of the proponent in combination with other financial products.

Criteria for eligibility to access the MSDF support

- a) Registered as a business or non-government organization*



- b) Proponent (business, NGO, or person/s) has track record of successful experience in the field of the proposed initiative (> 3 years)**
- c) Leverage contribution, minimum of 50-50**
- d) Activity implementation will directly impact smallholder farmers or generate employment within the ZOI
- e) If former grant beneficiary from any donor, must show successful utilization of the grant
- f) Business or activity is not supported by other donors or if it is, additionality is clearly demonstrated
- g) The proponent commits to submit regular progress reports to the USAID AFDA

* Non-registered organization may be eligible if it is in the process of registering or willing to be registered

** This is negotiable for 1) women/youth led (owned or managed) businesses/NGOs, 2) if proposed activity's beneficiaries are at least 70% women and/or youth, and 3) if proposed activity will be implemented in difficult areas and/or directly benefit IDPs or ethnic groups in conflict affected areas

Ineligible organizations:

- a) Political parties, groupings, or institutions or their subsidiaries and affiliates
- b) Organizations promoting anti-democratic policies or illegal activities

Note: Organizations who have received substantial assistance from USAID and other donors but have not shown successful utilization of the grant/s are not encouraged to apply.

Leverage contribution

Leverage is defined as the total value of in-kind and cash resources brought by the private sector into the partnership. Leverage counts only new, additional and incremental contribution of resources. Leverage includes anything of value that can be measured including loans received to contribute toward the partnership and services or property such as fixed assets. Leverage is an input, or contribution not the output or outcome of the partnership.

Partner leverage contribution must include substantial cash contribution or investment in long life assets such as:

- Construction or renovation of facility
- Procurement of land and/or facilities
- Procurement of machinery and equipment
- Other capital expenses, e.g., vehicle
- ICT Apps

The USAID Agriculture and Food Systems Activity MSDF will not fund the following activities:

- Construction
- Goods that are ineligible under USAID regulations
- Procurement of real property
- Fee for profit
- Payment of loan interest
- Deliverables of a religious nature



Applications will be evaluated based on the following criteria

| No. | Criteria | Points |
|-----|--|--------|
| 1 | The activity addresses a systemic constraint and offers solutions that will increase access to agricultural services and/or quality inputs in a sustainable manner for small holder farmers | 18 |
| 2 | The activity will expand access to markets in a sustainable way and increase sales to domestic and export markets | 18 |
| 3 | The activity will increase women and/or youth participation in the transformation of the agriculture sector | 14 |
| 4 | The activity will promote economic interdependence among ethnic groups, or will work in difficult geographic areas, such as Kachin and North and East Shan | 18 |
| 5 | The activity proposes innovative or pilot business models or technologies to address systemic constraints for access to inputs, services and markets | 14 |
| 6 | The activity's anticipated quantitative results in terms of job creation, new capital investment in agriculture, sales and number of individuals directly benefited within the duration of the MoU justify the grant amount requested. | 18 |
| | Total | 100 |

Applications that obtain scores of 60% and above will qualify for the next phase of the MSDF grant award process, which is the Partnership Co-creation phase. Notice of the result of evaluation will be sent to applicants no later than 45 days after completion of evaluation. Applications scoring below 60% may revise their applications and re-apply.

Partnership Co-creation

Selected applications that obtain scores of 60% and above qualify for the partnership co-creation phase. During the co-creation, AFDA and the prospective partner will jointly design the activity to determine the objectives, scope, roles and responsibilities of the partners, deliverables of the activity, timelines, and budget.

Part of the co-creation is a pre-award assessment and due diligence process. AFDA will carry out an assessment of the capacity of the applicant to implement the activity, manage the grant funding, and comply with the requirements of USAID. The grant mechanism will be decided based on the results of the pre-award assessment and due diligence.

Application submission and timelines

Applications will be accepted starting from the day of the release of this CFA. Applications will continue to be accepted until funding is depleted. Screening and evaluation will be done on a rolling basis. The first deadline of applications will be on March 16, 2020. Subsequent rounds of screening and evaluation will happen every 45 days thereafter unless announced otherwise.



The AFDA implements an adaptive management and implementation approach. Thus, the CFA selection criteria may change at some point as a result of lessons learned and changes in context. Changes will be announced in different media. Interested parties for partnership are advised to check regularly with AFDA representatives for changes.

Please submit an electronic copy of the application in English to the USAID AFDA representative at email: afdamsdf@acdivocamm.org with subject of the message "MSDF-Application".

Notice to ineligible applications will be sent no later than 30 days after determination of ineligibility.

Grant implementation timeline

The earliest timing for MSDF support activities to begin is April 2020. Grant Agreements will be for a maximum of three years. Grant agreements will be supported by a Memorandum of Understanding (MoU) that may be effective until March 31, 2024.

Condition: Issuance of this call for application in no way constitutes a commitment by the USAID AFDA or by USAID to execute any agreement or to pay any costs incurred by any applicant for application submissions.

Please note that the USAID AFDA **will fully respect the confidentiality** of proprietary information of all organizations involved in the program.

Inquiries and requests for information regarding this Call for Applications can be submitted by email to afdamsdf@acdivocamm.org.

USAID AFDA MSDF Launching

The USAID AFDA MSDF will be launched through stakeholder forums on the following dates and places:

| Date | Event | Time | Venue |
|----------------------------|------------------------------------|---------------|-------|
| 19/Feb (Wed) | USAID AFDA MSDF Launch in Yangon | 1:00pm-5:30pm | TBD |
| 24/Feb (Mon) | USAID AFDA MSDF Launch in Shan | 9:00am-2:00pm | TBD |
| 25/Feb (Tues) | USAID AFDA MSDF Launch in Mandalay | 1:00pm-5:30pm | TBD |
| 26 th Feb (Wed) | USAID AFDA MSDF Launch in Sagaing | 1:00pm-5:30pm | TBD |
| 27/Feb (Thurs) | USAID AFDA MSDF Launch in Kachin | 9:00am-2:00pm | TBD |
| 3/Mar (Tues) | USAID AFDA MSDF Launch in Magway | 1:00pm-5:30pm | TBD |

The forums will have two parts.

Part 1 will present the findings of the market systems analyses done by the Activity. These findings identify the critical constraints and priority intervention areas that could bring about systemic change and long-lasting impact in the agriculture sector. The forum will serve as a platform for the AFDA to validate its findings.



Part 2 will focus on the MSDF Award process including: application process, selection criteria, evaluation system and the co-creation phase.

Interested parties are encouraged to attend the forums. The venue details and agenda will be shared through invitations and will be published in the MIMU.



Annex A. Application Template

USAID Agriculture and Food Systems Development Activity

MSDF GRANT APPLICATION TEMPLATE

1. GENERAL INFORMATION

| | |
|--|---|
| Date of submission: | |
| Name of applicant: | |
| Name of the enterprise/organization | |
| Address of the organization/enterprise | |
| Owner of the enterprise | Name: |
| | <input type="checkbox"/> Male <input type="checkbox"/> Female |
| | <input type="checkbox"/> Age more than 29 <input type="checkbox"/> Age 15- 29 |
| Manager (if different from the owner) | Name: |
| | <input type="checkbox"/> Male <input type="checkbox"/> Female |
| | <input type="checkbox"/> Age more than 29 <input type="checkbox"/> Age 15- 29 |
| Sector of the enterprise | |
| Contact information | Address, email, phone: |



2. ELIGIBILITY CHECK

Please check all applicable boxes and provide details as requested

Registered as a business (patent or legal entity)

Date of registration:

Proponent (business or person/s) has track record of successful business performance (> 3 years)

Please provide brief description of your organization from establishment to date.

If business (for profit) please provide information on: sales turn-over in last three years or size of investments/loan portfolio, markets/customers and number of employees:

If Business Service Providers (BSP) please provide: name of clients, size of contracts, significant accomplishments from previous work, number of employees:

Leverage contribution commitment

Please specify your intended leverage contribution:

Summary of applicant's cash contribution to the activity (in US\$):

Fixed assets investment (in US\$) _____

Operating/Working capital (in US\$) _____

Source: Loan External investor Own funds

Requested Grant from the MSDF of AFDA (in US\$) _____

Purpose of Grant: Equipment Technical support Marketing support Others

If it's for "Others" please explain:

Activity implementation

Please specify location or locations (Regions/State)



Are you a former grant beneficiary? Yes No

If yes, please state donor source and describe how the grant was utilized and the outcome in terms of additional sales, new markets and new jobs:

Do you commit to submit regular monthly reports to the USAID AFDA based on the grant agreement and MoU?

Yes, I commit No, I cannot commit

Please check if your organization represents or is related to any of the following groups:

Political parties, groupings, or institutions or their subsidiaries and affiliates

Organizations promoting anti-democratic policies or illegal activities

Concept Note

Activity is aligned with objectives of USAID AFDA

Please refer to Background Section of the Call for Applications. Identify the specific outcome/s of USAID AFDA to which the activity will contribute to.

Activity addresses a critical constraint and will result in systemic and sustainable change in the market systems (please see Annex A)

What systemic constraint is being addressed?

What is the systemic change objective and the leverage point of the proposed activity?

Activity will pilot an innovative or new business model or technology

- What is new or innovative about the business model or technology?
- Explain the potential for scaling up