Invitation to apply for commercial partnerships
for the development of
Soybeans and aquaculture enterprises activities

International Labour Organization and
Food and Agriculture Organization

The International Labour Organization (ILO) and Food and Agriculture Organization (FAO) are jointly called the Advertiser of this EOI and will be referred to as the Advertiser hereafter. They will screen all EOIs and create a shortlist of potential partners. It will enter into negotiations with successful applicants with a view to provide technical expertise to enhance the proposed applicant's business models for implementation and/or provide assistance in testing the proposed business model/s. The ILO and FAO will draw on their professional resources to help link applicants to other potential partners and actors throughout the soy bean and aquaculture value chains. The proprietary rights shall be vested in the applicant and the Advertiser seeks to ensure that the proposed business models empower rural youth either enterprises or employees.
<table>
<thead>
<tr>
<th>Section</th>
<th>Content</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Key dates</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Request for expressions of interest</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Background</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Commercial partnerships for youth development</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Partnership development and implementation process</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Cost sharing considerations</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Applications</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Review procedures</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Partnership arrangements</td>
<td>7</td>
</tr>
<tr>
<td>Schedule A</td>
<td>Expression of Interest Form</td>
<td>8</td>
</tr>
<tr>
<td>Schedule B</td>
<td>Project Eligibility &amp; Selection Criteria</td>
<td>11</td>
</tr>
</tbody>
</table>
1. **Key dates**

<table>
<thead>
<tr>
<th>RFA title</th>
<th>Commercial Partnerships Expressions of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued by</td>
<td>The Advertiser</td>
</tr>
<tr>
<td>Issue date</td>
<td>2 February 2015</td>
</tr>
<tr>
<td>Closing date</td>
<td>6 March 2015</td>
</tr>
<tr>
<td>Review date</td>
<td>13 March 2015</td>
</tr>
<tr>
<td>RFP Number</td>
<td>MSD/IP/200115</td>
</tr>
</tbody>
</table>

2. **Request for expressions of interest**

Expressions of Interest are invited from commercial enterprises that are interested in developing or expanding their business activities in the soy bean and aquaculture sectors in selected provinces of Zambia. The objective of this initiative is to facilitate commercial partnerships between existing enterprises and youth owned or managed rural enterprises in rural Zambia.

Applications will be considered from:

- **Commercial firms seeking to expand their operations in Zambia**
  Commercial companies should be registered in Zambia and be presently operating in the soy bean and aquaculture sectors in Zambia either as value chain actors e.g. fish companies, soy bean processors, offtakers or value chain supporters e.g. commercial banks, MFIs, input suppliers etc. These entities may have interest in expanding their existing operations or testing new innovative commercial operations into rural areas of Zambia. They may have already identified potential expansion opportunities. Alternatively, they may wish to develop new business operations into rural markets but do not yet have well developed business models to effectively engage in these rural markets.

- **Business Advisory teams (including deal structuring, community facilitation and capacity building skills)**
  Advisory teams may apply to express interest on behalf of rural youth organisations to facilitate the development of their business models and commercial entry/growth into the soy beans and aquaculture sectors.

The International Labour Organization (ILO) and Food and Agriculture Organization (FAO) are jointly called the Advertiser of this EOI and will be referred to as the Advertiser hereafter. It will enter into negotiations with successful applicants with a view to provide technical expertise to enhance the proposed applicant's business models for implementation and/or provide assistance in testing the proposed business model/s. The ILO and FAO will draw on their professional resources to help link applicants to other potential partners and actors throughout the soy bean and aquaculture value chains. The proprietary rights shall be vested in the applicant and the Advertiser seeks to ensure that the proposed business models empower rural youth either enterprises or employees.
The business proposals and models developed for this proposal need to be well structured with the intent of creating a long-term sustainable and profitable enterprise. The proposed business model cannot be reliant on long-term funding from the Advertiser and should be able to operate without other long-term third-party financial assistance.

### Target Provinces

<table>
<thead>
<tr>
<th>Sector</th>
<th>Target Provinces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soy beans</td>
<td>Central, Lusaka, Northern and Eastern</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>Southern, Luapula, North Western, Northern and Copperbelt</td>
</tr>
<tr>
<td>Cross cutting</td>
<td>Examples include finance, Input supply, technology, ICT etc</td>
</tr>
<tr>
<td>functions</td>
<td></td>
</tr>
</tbody>
</table>

### 3. Background

This initiative takes a systemic approach to facilitating positive changes in market systems while also targeting rural youth participants in key agricultural sectors in order to promote jobs and sustainable rural youth owned enterprises in the country. This initiative will increase young women and men’s ability to capture value under improved market conditions by:

- Targeting the soy bean and aquaculture market systems that have high growth potential and high potential to attract poor youth as producers, traders, or workers in order to promote pro-poor income growth.
- Focusing on inclusive growth, that provides significant economic empowerment opportunities for formally disempowered rural youth.
- Building a balanced portfolio which not only delivers short-term gains in sectors ripe for growth, but also long-term transformation and investment in sectors which have historically excluded youth as a result of high levels of inequality in access to productive resources.

The largely informal nature of the rural economy also provides a ripe environment for working with youth-owned enterprises that can shape new pathways and business models into existing and new markets as well create collaboration between the formal and informal sector to promote growth and development. For instance, a significant number of the youth owned, largely informal, smallholder producers have creative ideas that can benefit from improved institutional market linkage models through improved access to capital.

The Advertiser will seek to work with parties that are interested in the commercial opportunities available in or linked to the soy bean and aquaculture sectors in Zambia. The Advertiser will assist with the facilitation of these opportunities and does not have a commercial interest in the business models. The Advertiser’s primary objective is to enhance market opportunities for rural youth in the soy bean and aquaculture sectors of Zambia.

The Advertiser’s role as facilitator will be focused on helping the applicant in some of the following ways:

1. Provide technical expertise in the development and/or testing of business models. This can include providing expertise in how to scale-up existing business or to help existing businesses diversify into other commercial activities;
2. Identify market actors to link the applicant to develop stronger partnership opportunities, reduce the time it takes to develop new activities or extend existing services, open up new markets or clients, or facilitate capacity building/trainings;

3. Assist in reducing or mitigating risk for new business opportunities; and

4. Facilitate links to financial service providers to improve start-up credit access opportunities.

The ultimate objective is to create youth owned/managed enterprises and create jobs for youth in rural areas of Zambia.

4. Commercial partnerships for youth development

There are three requirements for commercial partnerships between rural youth and commercial entities to be effective, for which three types of skill are required:

1. A commercially sound business model needs to be structured between a commercial operator/investor and rural youth. This requires innovative business models that recognise the opportunities and risks inherent in rural markets.

2. Rural youth must be enabled to gain the required skills to enter into commercial partnerships with other markets players to enable them to contribute meaningfully, exercise their rights as co-owners/workers and participate effectively in the partnership process. This requires youth ‘hard and soft’ skills development.

3. To structure such commercial deals/partnerships in rural areas takes time and involves costs that are above the normal costs of doing business. A facilitator is required to reduce the time required for such partnerships as well underwrite some of the partnership development costs. This requires a market development facilitator with good business and rural markets development expertise.

Objective 1: To structure mutually beneficial, commercial partnerships between commercial operators and rural youth

The idea behind this initiative is that mutually beneficial commercial arrangements can be structured in which commercial operators/investors bring capital and skills and partner with rural youth in Zambia, from which both can derive financial incentives. These commercial arrangements can take many forms such as outgrower schemes, lease arrangements, joint ventures etc. They may include preferential employment arrangements for youth or joint ventures – depending on the nature of the commercial development.

Objective 2: To ensure the effective participation of youth in the partnership process in the soy bean and aquaculture value chains

Most rural youth have been excluded from effective market participation. Commercial partnerships may be a new innovation to the rural youth. Commercial partnerships cannot be developed and maintained without youth participation and support. That in turn requires the development of sufficient youth cohesion and critical skills to sustain the required participation and support. Professional business facilitation is required to ensure the effective participation of youth in the proposed commercial partnerships process.

Objective 3: To effectively facilitate sustainable market friendly commercial partnerships.
The development of commercial partnerships in rural areas can place a burden on both commercial operators/investors and rural youth. Attendant challenges in the form of governance, deal-grooming costs, demand mapping, youth skills and organisation all increase the cost of doing business in rural areas. The third objective of this initiative of developing commercial partnerships in rural areas is to provide the market development facilitation services to enable commercial operators/investors to expand or initiate their proposed commercial partnerships with rural youth with ease. In some cases commercial operators/investors already have these arrangements in place or are able to acquire them from other sources. Where these arrangements are not in place, the Advertiser will consider applications to provide this support once a proposed business model has been agreed with the Advertiser.

5. Partnership development and implementation process

The project identification and development process will typically follow a six-step process. It will be completed on the signing of an agreement between the commercial operator and youth. The duration of the partnership will vary based on the business model under consideration. Usually this partnership roll-out will be completed in less than a year. On successful completion of business model/pilot testing, the Advertiser will enter into discussions with the commercial operator on the most logical next steps. The indicative process is shown below.

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
<th>Step 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expressions of Interest (EOI)</td>
<td>Review of shortlisted EOI As</td>
<td>Deal Structuring</td>
<td>Deal Pilot Testing</td>
<td>Deal Review</td>
<td>Go/No Decision</td>
</tr>
<tr>
<td>Applicant</td>
<td>Advertiser</td>
<td>Advertiser/ Applicant</td>
<td>Applicant with Advertiser Facilitation</td>
<td>Advertiser/ Applicant</td>
<td>Applicant</td>
</tr>
</tbody>
</table>

6. Cost sharing considerations

The nature and cost of cost sharing arrangements and associated advisory support services will depend on the nature of each partnership to be developed and the extent to which youth are involved and empowered. The aim of the Advertiser is to facilitate win-win commercial deals between commercial operators and Zambian rural youth. The Advertiser will consider cost-sharing arrangements based on value for money and impact considerations to be discussed with shortlisted applicants. Deal facilitation costs will normally be paid on agreed terms on a deliverables basis to be agreed with successful applicants.

In consideration that one of programme objectives is to establish sustainable, market friendly commercial partnerships, applications with long-term cost-sharing arrangements between the applicant and Advertiser will not be accepted. The applicant must develop a business proposal that is sustainable and commercially viable in the long-term without dependence on outside funding.
7. Applications

7.1. Project feasibility application form

To complete this Expression of Interest, please complete the project feasibility application form contained in Schedule A of this document. Information additional to the completed Schedule A application is not required and will not be evaluated.

Please note that completion of Schedule A is an absolute requirement for all applications. Applications not in compliance with this requirement will not be evaluated.

7.2. Submission

Four copies of the application marked 'Commercial Partnerships Application 2015' should be delivered by 12h00 on 6 March 2015 to:

Commercial Partnership EOIILO
Lubwa Road, Rhodes Park
Lusaka 32181

One electronic copy should be submitted by 12h00 on 6 March 2015 to lusaka@ilo.org.

8. Review procedures

This invitation to apply to the Advertiser does not constitute an offer to purchase any service. The Advertiser reserves its rights to accept or reject applications.

Applications will be assessed in terms of the Advertiser’s procedures. Preferred applicants will be selected on a competitive basis (the most promising applicants will be selected) and against specific selection criteria. Applicant evaluations will be performed in accord with the Project Eligibility and Selection Criteria shown in Schedule B and which include the following:

- Commercial incentive,
- Innovation and viability
- Youth enterprise and job growth opportunities
- Value for money
- Replicability and scale up potential
- Matched funding

9. Partnership arrangements

In respect of successful applicants, negotiations for partnership will be entered between the Advertiser and applicants setting out mutual expectations.
Schedule A

Project Application Form

A. Basic Information

A1. Organisation Name:

A2. Sector proposed for partnership:

A3. Proposal Title:

A4. Contact details (name, phone and email):

A5. Proposed Province/s and district/s:

A6. Intervention Timeframe (in months):

B. Summary

B1. Please provide a very short description of the proposed focus of the commercial partnership. (1 paragraph)

C. Rationale

C1. Please explain in one paragraph why this partnership is necessary to you and to youth in rural areas. What's in it for you and what's in it for the rural youth?

D. Commercial Incentives

D1. What and who does this market system involve?

Who is involved in the proposed partnership, what is the size of the market, what are the key opportunities that you would like to pursue in the sector? (4 paragraphs)

[Please describe the performance of the sector and your position within the sector – with references to the specific functions you perform in the market]

D2. How could this market meet your needs?

How does pursuit of the proposed partnership meet your commercial objectives? (2 paragraphs)

D3. How does this market benefit rural youth?
D4. What is the nature of growth opportunity in this market?

[Describe the market opportunities you are pursuing and their growth prospects]

E. Enterprise and Job Opportunities

E1. What opportunities are there for improving enterprise and employment outcomes for your company?

[Outline opportunities to benefit your company. This will depend on the context of each sector, but it could include raising profits or your productivity and market share in the sector, or improving their terms of employment of workers in the sector etc.]

E2. What opportunities are there for improving enterprise and employment outcomes for the rural youth?

[Outline opportunities to benefit the target group. This will depend on the context of each sector, but it could include raising profits or productivity of producers in the market, or improving their terms of employment as workers in the sector etc.]

E3. What is the financial impact of the proposal in terms of expected short-term and long-term expected annual operating profits, and value for money with respect to initial investment?

[Outline the expected financial benefits versus the costs with sufficient detail and structure for evaluation]

F. Feasibility

F1. Can a partnership with us have a meaningful impact in this market?

[What value do you think the Advertiser can add to this proposed commercial partnership between you and the rural youth? (4 paragraphs)]

F2. Any additional issues of value we should know about the proposed partnership in this market?

[Please state if there are any additional aspects we should know about this proposed partnership that have not been covered elsewhere. (4 paragraphs)]
F3. Is this proposed partnership supporting a public priority?

[Please describe if the sector has been prioritised in national development plans or trade or export promotion strategies]

F4. What additional financial requirements are necessary to undertake the business venture.

[Please provide a description with respect to any start-up capital or matched funding requirements]

G. Implementation

G1. Please propose who you would like to be the lead from your organisation on this proposed partnership

[Include the positions and/or names of the proposed point person]

G2. How long will the proposed partnership run for?

[Please indicate the proposed duration for implementing this proposed partnership and how soon you can get started]

G3. What innovative practices or systems are proposed to implement your proposal?

Discuss the implementation of any advanced technologies or streamlined business practices which offer innovative practices
Schedule B
Project Eligibility & Selection Criteria

The Advertiser would like to ensure that the eligibility and selection criteria it applies remain rigorous and precise. Based on this approach, the following parameters will guide the call for EOI:

**PROJECT ELIGIBILITY CRITERIA**

1. **Not dependent on government decision-making**: Projects must not be dependent on outstanding government decisions of a strategic, financing or judicial nature to proceed. This does not refer to normal administrative decisions, such as the issuing of business licenses.

2. **For-profit enterprises**: Applicants must be for-profit enterprises or consortia led by for-profit firms with proven capacity to implement the proposed project.

3. **Focus on the rural youth**: Projects must benefit directly or indirectly substantial numbers of low-income youth in rural areas in the targeted provinces mentioned in this call for EOI.

**PROJECT ASSESSMENT CRITERIA AND THEIR WEIGHTING**

Based on the above, the following specific selection criteria are proposed to assess the eligibility of applicants:

1. **Commercial viability (20%)**: Projects must establish or expand commercially viable business models. Applicant firms which can demonstrate market share (customers, orders, contracts) but are unable to supply these markets due to once-off entry barriers or once-off transactions costs will be favourably considered. Furthermore, applicant firms must demonstrate their capacity to implement the project.

2. **Impact (20%)**: Projects with the potential to generate notable benefits for rural youth in the soy bean and aquaculture value chains will be favourably considered in the project selection process. Benefits can be in the form of increased employment, higher incomes, training, increased market access or systemic change within the market or region.

3. **Value for money of the intervention (20%)**: the extent to which the application contains realistic and measurable targets (preferably based on previous experience of sound projects) will be important. The detail of the applicant’s impact projections scrutinised to assess the extent of its value for money.

4. **Potential for scale up, sustainability and / or systemic change (20%)**: The degree to which projects are likely to lead to longer term impacts beyond the duration of the initial partnership support will be highly valued. Longer term impact could be in the form of the sustainable scaling-up of project activities, the replication of projects by other institutions, the long-term removal of barriers to markets, or the sustainable continuation of the project by securing
funding from other sources or by sufficient revenue generation for the project to become self-sufficient.

5. **Extent of matched funding (10%)**: A minimum of 1:1 own contribution in cash or in kind is required. Commitments in excess of this requirement will score higher points under this criterion. In general, the programme will avoid financing fixed investments or long-term operating costs.

6. **Innovation (10%)**: Projects must be innovative in nature, or take existing small-scale or pilot initiatives or innovations to scale. Innovation is defined as the introduction of new products or services, business or organisational models, production methods, delivery or service methods to a market or geographic area where these have not previously been applied, although they may be used in other markets.