

LETTER OF INVITATION-LOI
Submission of Proposals
Reference No 2000002847

Dear Sir/Madam,

IFAD is an international financial institution and a specialized United Nations agency. It is dedicated to eradicating poverty and hunger in rural areas of developing countries. IFAD provides low-interest loans and grants to developing countries to finance innovative agricultural and rural development programmes and projects. For more information on IFAD, please visit: www.ifad.org.

The purpose of the present call for proposals is to select a recipient or consortium of recipients to receive IFAD grant financing to implement the project: *Inclusive red meat value chains for women and youth farmers in Eastern and Southern Africa*. Financing has already been approved for this project based on a concept note developed by IFAD in line with the strategic priority *Production for food security, nutrition and income generation*. Interested potential recipients or consortium of recipients are invited to submit a proposal, by filling out the template Design Document provided.

Kindly note that you may request clarifications during the first 3 weeks of the submission period (up until **Wednesday, 23 October, 15:00 hours CEST**) submitting them to:

Ilaria Urbani, i.urbani@ifad.org

Laura Grasso, l.grasso@ifad.org (in CC)

Antonio Rota, a.rota@ifad.org (in CC).

Please acknowledge receipt of this Invitation to Submit Proposals and confirm your participation by **Wednesday, 16 October, 15:00 hours CEST**.

Kindly note that the deadline for submitting your application is **30 October 2019, 15:00 hours CEST**; Proposals submitted after this deadline will be considered ineligible.

Your proposal will be considered as part of a selection process, and will compete with other proposals for IFAD grant resources. Please note that all submissions received will be evaluated against pre-determined criteria. The following documents are part of this Invitation to Submit Proposals:

- This Letter of Invitation with ToR of the project
- The Design Document Template to be used for your submission
- Grant Agreement and General Provisions Applicable to IFAD Grant Agreements
- Evaluation methodology and criteria for the review of the submissions

Your submission will include:

1. Project proposal, submitted using the grant Design Document template with a detailed Budget using the activity based budget table;

2. Bidders' self-certification of eligibility for IFAD grant financing and Grant FMAQ, duly filled in; and
3. A brief institutional profile, detailing experience in the priority area and specific theme outlined in the ToR of the project, and in the region/countries where the grant would be implemented.

To the extent eligible institutions deem it appropriate to partner with other institutions, they can do so. In this case, only the applicant institution shall be responsible for achieving the project objectives and outcomes, producing the expected outputs, the overall project management, financial and technical reporting to IFAD, while the partner institution(s) will be sub-contracted by the proponent. In case of applicants partnering with other organizations, a single application must be submitted to IFAD for consideration, clearly indicating the lead agency and the names of all collaborating partners. The recipient may choose to sub-contract any part of the services under this agreement to a person or entity. The lead recipient shall be fully responsible and liable for the delivery of the services performed by them or on their behalf.

The preparation of the proposal shall be by, and at the expense of, your organization. IFAD shall not reimburse any costs incurred by you in the preparation of the proposal, site visit, collection of information, oral presentation, or for any subsequent discussions, clarifications, and negotiations related to this Invitation to Submit Proposals, whatever the outcome of the Invitation may be, including the case of no award. IFAD reserves the right to annul the selection process at any time without thereby incurring any liability to the applicant. This Invitation does not commit or obligate IFAD to award a grant. In addition, please be advised that should your proposal be accepted, this does not guarantee IFAD support. The proposal would then need to be further developed and it will subsequently undergo rigorous approval processes, which closely examine technical, financial and legal aspects.

By submitting a proposal, applicants agree to abide to all conditions set forth by IFAD.

For more information on IFAD's grants programme, please visit:

www.ifad.org/en/grants-design-and-management

Terms of Reference of the project

Inclusive red meat value chains for women and youth farmers in Eastern and Southern Africa

A. Background

1. Livestock forms an important part of livelihoods of the Eastern and Southern Africa populations. Most rural households in the four target countries depend on smallholder agriculture to meet food and nutritional security goals, improve their livelihoods, and cope with climate change. High unemployment rates result in a poverty rate of >60% leading to low calorie supply and one of the least diversified diets. The high proportion of female-headed households and high youth unemployment exacerbate the situation. In public investment in agriculture the role of livestock is grossly neglected. One of the consequences is that livestock keeping households do not fully utilize the potential livestock as a source of income and diet diversification.
2. The demand for livestock products, including red meat will double in the next 20 years due to the increase in human population and the dietary changes of the increasingly urban population. This requires what is often called, a Livestock Revolution, but also gives huge possibilities to improve the livelihoods of livestock farming households. According to the latest OECD-FAO Agricultural Outlook 2016-2025, Africa is a fast growing meat importing region because it needs to keep pace with the rising population demand. Similar trends are expected in Eastern and Southern Africa as the supply per capita from those countries is distributed amongst their growing populations. Typically cash purchases of meat in the rural areas are less common than they are in the city, and there is a lag in terms of increased total nutrient consumption in rural areas compared to urban. The recent Prospective Urban Rural Epidemiology (PURE) study has demonstrated that increased nutrient consumption in rural areas of Eastern and Southern Africa has kept pace with, but lagged 5 years behind that of urban areas, and that increases are characterised by increases in animal protein and fat. It is foreseen that the greater supply of locally produced animal protein destined for urban areas as being intimately linked with consumption and an improvement per capita in rural areas vis a vis urban areas. Experiences from the Northern Communal Areas (NCA) in Namibia showed that consumption of nutrient dense offal increased dramatically in rural areas even when meat was destined for towns, in response to increasing local supply.
3. The proposed project aims to contribute increasing production in country, rather than entirely meeting increasing demand through imports. But to ensure that that smallholder households will reap these potentials of this growing lucrative (red) meat market will require concerted action of stakeholders, including efforts on increased capabilities, access to inputs, finance and access to markets.
4. Women play an important role in managing livestock, but have limited access to resources to allow them to do this effectively and efficiently. Similarly, the ability of women and youth to own and benefit from livestock remains a challenge. Venturing into livestock production as a business for women and youth is hampered by lack of access to capital, skills levels and lack of title deeds. Even where there are farm gate production surpluses, market value chains do not effectively link consumers to producers. Consequently, food deficits persist and income-generation opportunities are severely lacking in rural areas.

5. While the challenges to finding employment are common to all poor rural people, young people suffer the most. The effects of these challenges on youth include landlessness, financial exclusion, child labour in agriculture and migration. For IFAD the lack of access by young people to land and natural resources is a result not only of the scarcity of these assets, but is determined above all by the lack of an enabling policy and regulatory environment to make agriculture a profitable and attractive business for young people.
6. This scenario is further compounded by cultural barriers and customary laws, together with a lack of awareness of their rights and of policies in this area. Moreover, since many young people are reluctant to engage in the back-breaking, low-return forms of farming carried out by their parents, their demand for agricultural land and their willingness to invest their energies and resources in it are often limited. Engaging young people in dialogue concerning specific policies and legal frameworks regarding land and natural resources issues is crucial. The ILRI grant on beef fattening demonstrated that organized groups of women and youth, even with limited access to land, but empowered with capacitation and access to finance resources, have the potential to become rapidly "market makers" in the red meat sector.

B. Rationale

7. The grant objectives are well aligned with that of the Priority Areas (3, 4 and 5) for the 2019-2021 IFAD grants programme, notably Equality and Women's Empowerment; Opportunities for youth, and Business Opportunities and Partnership with Private Sector.
8. The project will contribute to increasing the integration of crop and livestock production (IFAD SO1). It is envisaged that this will increase market-oriented offtakes (IFAD SO2). Integrated crop livestock systems are more resilient to the effects of climate than less diversified systems (IFAD SO3). The use of legumes and increased fodder production will increase soil fertility and reduce dependence on communal rangelands (IFAD SO3).

C. Goal and objectives

9. The overall goal of the project is to develop sustainable, inclusive and transformative red meat value chains in the most vulnerable smallholder farming communities of Eastern and Southern Africa
10. The specific objectives are: (i) Improve on farm productivity by supporting women and youth farmers to improve rangelands management, animal health and husbandry through training and the use of existing technology platforms; (ii) Support women and youth farmers through farmer-based organisations using improved knowledge sharing and exposure to best practice sustainable production techniques by supporting Rural Sustainable Beef Cluster Knowledge Circles linked to GRSB; (iii) Promoting and facilitating formation of local women and youth led sustainable red meat production models in production areas based on learnings from models across Southern Africa; and (iv) Developing models for increasing participation of women and youth in the red meat value chain through targeted inclusive financing.
11. The project is expected to have the following **outcomes**:
 - (i) Increased participation of women and youth, bridging the age and gender gaps, in the beef and goat value chains, a product of inclusive financing models that cater for women and

- youth led SMEs.
- (ii) Increasing livestock carrying capacity of local rangelands by at least 30% through improved pasture management.
- (iii) Improved production parameters in project areas, calving rate (up to 60%), weaning rate (45%) through adaptation of improved management practices.
- (iv) Increased income of at least 2,000 households by at least 50-80% from innovative financing of enterprises, at least 60% of the household will be women and youth led.
- (v) Increased supply of quality meat from the project areas by at least 20% improvement in the grading outcomes of animals on feed.
- (vi) Improved direct participation of women producers (50%) in the red meat VCs.
- (vii) Ensure at least 4 functional model sales facilities are erected in each of the project countries, at least 4 revamped abattoirs (1 in each country) and
- (viii) Improved efficiency in feeding livestock leading to reduction of gas emission, thus contributing to environmental sustainability.

D. Beneficiaries

13. The beneficiaries of this intervention are:

- a) Direct: women and youth smallholder farmers possibly organized in business groups/cooperatives/ associations.
- b) Indirect: women and men farmers and VC actors (e.g. traders and processors, veterinarians, extension providers and input suppliers,) benefitting from access to inclusive financing and improved markets. Government Veterinary and extension services will benefit from increased awareness by producers of modern animal health practices and equipped technicians.
- c) Consumer particularly, rural and urban consumers, will benefit from increased supply of quality meat that meets food safety standards, through increased efficiency in the value chain.

E. Components and key activities

14. The project will link to on-going initiatives in Malawi, Mozambique, Zimbabwe and Zambia through partnering private sector, local and international NGOs and Knowledge Institutes. The selected grantees will collaborate with the private sector, government, and others in the implementation of this programme's activities.

15. The grant will directly link the following projects:

- a. Mozambique: the new project PROCAVE (scaling up of the red meat will be extended to cover the entire country through a new follow-up project).
- b. Malawi: the new project TRADE under design building on beef VC activities under RLEEP.
- c. Zambia: E-SLIP project which includes activities with beef cattle producers.
- d. Zimbabwe: The grant project will work with goat producers' groups under the on-going project Smallholder Irrigation Revitalization Programme (SIRP) (see also the scaling up section).

16. The project will also seek collaboration with the planned project "Low carbon and resilient livestock development strategies for climate informed investments" funded under the second phase of the Adaptation for Smallholder Agriculture Programme (ASAP2). The ASAP2 project aims to estimate productivity, feed use and GHG emissions from livestock production systems in the context of IFAD investments in order to improve livestock production for better food security, improved resilience and reduced GHG emissions. It uses the Global Livestock Environmental Assessment Model (GLEAM) developed by FAO. GLEAM estimates GHG emissions with IPCC Tier 2 methodology. The tool generates baseline and scenarios of improvements in herd management (including reproduction and health), feeding systems and manure management systems.
17. The project proposal to be submitted should cover the components outlined below. The activities outlined under each component are indicative and for guidance only. The submitting organization (or consortium of organizations) is expected to further develop the project by building on its experience and expertise, presenting a well-designed and convincing methodology.
- a. **Support the transformation of Farmer Based Groups into Commercially Focused entities** using information from VC Analysis and baseline studies identify existing producer groups and facilitate creation of new one that can be transformed into companies in the beef and goat value chain. These companies will be gender inclusive and deliberately facilitate youth participation.
 - b. **Promotion of Improved Rangelands Management and feed/forage production** based on previous work and ongoing efforts along feed and forage production, identify promising feed and forage technologies that will support rangeland raised breeding animals; promote the use of legumes which will serve a dual purpose of soil fertility improvement and provision of protein to livestock along with high performing grasses such as *Brachiaria* spp.; formulate on farm organic ration which will contribute not only producing high-quality feed for animals in feedlots, but also through an increased efficiency, reducing greenhouse gas emissions. These innovations will result in a reduced use of inorganic fertilisers and synthetic feed additives which is a "plus" for climate smart agriculture. Irrigation establishment, revamping of existing infrastructure and supporting forage and feed production as a business will be the focus in this cluster of activities.

The communities will be assisted to make land utilization maps of their villages together with the local leadership. This will allow the community to agree on the land use and land ownership. The program will conduct a study to understand the dynamics of cattle ownership in the communities and look at the existing traditional systems which allow women and youth full inclusion. Holistic land management will be practiced in the program to ensure that the climate emissions are addressed. Rangeland management, no tree cutting policy instead tree harvesting, communal strip grazing will be promoted and no bush fire policy. On farm organic ration formulations will be promoted and use of legumes as a dual purpose for soil fertility and protein for animals.

- c. **Financial model development** borrowing from IFAD/ILRI work in Swaziland on Beef VC development and other experiences in the region with identified financial institutions to contextualize models to allow "non-bankable" subjects to access credit with emphasis on inclusiveness (women and youth). More optimal systems will be

piloted with farmers to test resource competition, nutrient and water productivity and considers sustainable investment.

- d. **Increase nutrition & diet diversity and incomes** through promotion of value addition along the value chain and development of SMEs. This will be done with inclusiveness, collective action and equity and pillars. In addition, the increased income of rural household and actors along the chain.
- e. **Introduce the use of innovative and renewable energy technologies.** The introduction of livestock fattening techniques (e.g. mini-feedlots) will allow the installation of bio-digesters for the production of biogas and bio-slurry. This innovative management of livestock residues will contribute mitigating gas emissions and provide with a natural fertiliser smallholder farmers, therefore contributing to improve significantly crop and staple food production and consequently households' nutrition. Promising innovative technologies to capture methane released by cattle through rumination will be piloted.
- f. **Value chain development and Improvement of marketing,** e.g. through the reintroduction of both live cattle grading and meat grading as a marketing tool.

F. Funding and duration

18. The submitted proposals will be evaluated according to several criteria including technical content, value for money, implementation capacity and scaling up/sustainability that will identify the grantee organization/consortium.
19. The IFAD funding for this proposal is provided through a grant for which the proposal will be subject to further review and clearance by IFAD senior management and subsequent approval by IFAD's Executive Board.
20. The approved grant will be awarded to the organization or a lead organisation (in case of a consortium) which has been selected as grant recipient. The grant amount is USD 2.000.000. Cofinancing (in-cash and/or in-kind) of the IFAD grant-financing amount provided by the applicant and any additional co-financing is part of the selection criteria. The applicant must ensure a minimum counterpart contribution of 50 per cent of the amount provided by IFAD.
21. The programme's duration will be three years after the approval by the Executive Board, expected by December 2018.

G. Rationale for recipient selection and recipient capacity:

22. The project will identify implementing partners which would have the following capacities:
 - a. Have an international mandate to work on livestock development in the targeted countries (Malawi, Mozambique, Zambia and Zimbabwe) to enhance the roles that livestock play in food security and poverty alleviation with the specific focus on developing inclusive red meat value chains for women and youth farmers.
 - b. The selected grantee will have to demonstrate the capacity to be operational in targeted countries with a long track record of working and building networks and with activities directed towards improving the performance of red meat value chains and rangelands for the benefit of smallholders.

- c. Contribute financially to the project with at least 50 per cent of the amount provided by IFAD.

H. Monitoring & Evaluation, Knowledge Management and Learning

23. The proposed project will proceed by consultation with stakeholders at project sites, and analysis of existing value chain structure and function. This will identify opportunities for improvement and ensure understanding and support amongst stakeholders. Documentation of the value chain analysis and diagnostics will provide benchmarks for related systems and establish a methodological approach, and an M&E database. Quantitative value chain analysis and modelling will inform the leverage points that should be targeted for greatest return.
24. The definition and location of systems for trial will also be participatory, with input from livestock and product buyers and input and service providers. This will call on a large existing base of interventions from amongst cattle and other livestock projects in the region, and a range of approaches to private sector engagement. Survey data from multi-stakeholder platforms, focus group discussions and on-farm trials will be analysed, published and archived. Continuous learning will take place through collective action platforms and farmer oriented learning engagements.
25. KM is through publication processes, communications team and open access policies. A range of dissemination mechanisms and media will be used, with knowledge products targeted at partners and support services (such as extension), and policy makers and implementers. Results from the project will be widely shared through IFAD's (and other partners) knowledge dissemination platforms and by feedback to supporting projects.

I. Supervision modalities

26. IFAD will be responsible for project supervision, and this should be specified in the Grant Agreement between IFAD and the Recipient. There will be one supervision mission every 12 months, which may involve IFAD staff from headquarters and country offices. Supervision costs are not included in the grant budget, as they will be catered for from other divisional budget lines.

J. Scaling-up and sustainability

27. **Scaling up:** The project will actively involve the private sector, both upstream and downstream to ensure further scaling up. Regional Innovation Platforms under the umbrella of a Southern African GRSB platform will play an important role, both in learning & exchange. It's through these IP, and working with NARES and local NGOs that the work will be out scaled. Further through projects already highlighted above several NGOs are taking the technologies from ILRI, ICRISAT and CIMMYT beyond project areas and beneficiaries.
28. The project will engage with the private sector represented by commercial farmers, private vets and livestock scientists, inputs suppliers, private abattoirs and red meat exporters. Results will be shared widely and it is expected that the project will at all stages engage policy platforms to ensure development of policies supporting the engagement of women and youth

as it relates to access to finance and markets. ESA Division informed the grant sponsor that there is already potential for scaling up in Zimbabwe through upcoming projects under IFAD11.

29. **Sustainability:** Embedding this project in both existing and new partnerships between producers and both public and private sector will enhance sustainability. These partnerships will include partnerships related to existing IFAD programmes. They will forge common vision and work towards co-learning and innovation in their different but intricately linked roles and functions. The diversity of skills and common visions will lead to greater participation; a focus on inclusive (women and youth) and collective action will ensure greater participation and commitment to achieving goals.
30. The private sector's participation, including banking, traders, processors and retailers will ensure that the optimal combination will be sought of profitability and sustainability. Efficiencies in the red meat value chains have the impact of increasing offtake and herd cleaning (i.e. culling of older and unproductive animals), this will improve productivity and thus sustainability.

L. Other aspects

31. The project will facilitate in all activities the participation of women and youth through target interventions. Efforts will be made to increase the integration of crop and livestock production (IFAD SO1). This integration will allow for the development of other value chains such as the forage value chain. It is envisaged that this will increase market-oriented offtakes (IFAD SO2).
32. Integrated crop livestock systems are more resilient to the effects of climate than less diversified systems (IFAD SO3). The use of legumes and increased fodder production will increase soil fertility and reduce dependence on communal rangelands (IFAD SO3). With regards to IFAD's areas of thematic focus, the project will increase access to agricultural technologies, improve nutrition and increase agricultural diversification, as well as resulting in more diverse agricultural enterprises and employment opportunities.