IDEA-NEW

New ideas for agriculture

Request for Applications

RFA No.:	IDEA-NEW-East-004-2010
RFA Title:	Walnuts Processing and Packing
Issuance Date:	April 20, 2010
Closing Date and Time:	May 10, 2010

Dear Potential Applicant:

Enclosed is a Request for Applications (RFA) under the USAID-funded Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW) project for implementation of Walnuts Processing and Packing in Nangarhar and Kunar provinces. In Nangarhar province, the program will take place in Sherzad districts. In Kunar province, the program will take place in Asadabad. IDEA-NEW is committed to supporting the dried fruit sub-sector under the overall objective of establishing a dried fruit and nuts value chain locally.

The selected grantee(s) will be responsible for achieving the expected outcomes described in *Section 1: Program Description*. IDEA-NEW reserves the right to fund any or none of the applications submitted. All preparation and submission costs are at the applicant's expense.

This RFA consists of the following sections:
Section 1. Program Description
Section 2. Selection & Eligibility Criteria
Section 3. Application Guidelines & Instructions
- Annex A. Grant Application Template
- Annex B. Budget Template
- Annex C. Summary of Experience
- Annex D. Required Certifications

Pre-Application Conference:
A pre-application conference will be held at on 28 April 2010 at 10:00 AM in the IDEA-NEW Jalalabad office.

Registration:
In order to receive modifications of the RFA or responses to questions, interested parties should indicate their interest in this RFA by emailing grants_ideanew@dai.com.

Questions:
Any questions should be submitted by email to grants_ideanew@dai.com or you can reach IDEA-NEW staff by phone at 0707-422-001 or 0777-422-001 no later than 4 May, 2010, by 4:30 PM Afghanistan Local Time.

Submission of Applications:
All applications must be in English. One hard copy in a sealed envelope of the grant application documents shall be delivered no later than 10 May, 2010 at 4:30 PM Afghanistan Local Time to the IDEA-NEW offices in Jalalabad. For directions, please contact grants_ideanew@dai.com. In addition, one electronic copy should be submitted to grants_ideanew@dai.com. Applications received after the deadline will be considered at the discretion of the IDEA-NEW grant evaluation committee.

Best regards,

IDEA-NEW

Section 1. Program Description

INTRODUCTION:
IDEA-NEW is a USAID-funded initiative in Afghanistan that began in March 2009. Activities target instability/insurgency locales and buffer zones to curb narco-trafficking, and at the same time, increase job creation, strengthen Afghan leadership, and promote incomes and economic growth.

IDEA-NEW's primary emphasis is on Job Creation, Agricultural Production, and Capacity Building in rural areas**.** IDEA-NEW provides support and linkages to overall US government counter-insurgency (COIN) priorities through local-level agricultural and private sector development, and by engaging local government to respond to the needs of its constituencies in these sectors.

Development Alternatives, Inc. (DAI) leads the project team and builds on its previous work in the eastern region. DAI is joined by NGOs Mercy Corps in the northeast and ACDI/VOCA in the northwest and central provinces.

BACKGROUND:
Eastern Region (Nangarhar, Laghman and Kunar) has many trees which grow walnuts. The main areas where the walnuts grow are Achin, Daria-i-Noor, Hisarak, Khogyani, Pashir Wa Agam, Shirzad, Shinwar and Kunar and Laghman also produces walnuts.

Processing: There are apparently 4 grades of walnuts depending on size and coloring. Walnuts are sold primarily in shell but some are sold locally already shelled. Almost all exported walnuts remain in their shell. This allows for better handling, but also a longer shelf life. Some people crack the walnuts manually, but this method has problem because the meats often get damaged. This is often done by hand by using hammers and they lack proper equipment to do this job. Currently, there is no quality processing unit locally for walnuts.

Current Market: Pakistan merchants buy the 1st grade with the help of their agents' network in the Eastern Region. Their agents look for opportunities to buy at a lower cost and will buy from any one including the farmer to the large Afghan trader. Afghan walnuts can be sold in other export markets rather than in Pakistan, once we have the quality processing unit to supply the demand of those markets.

PURPOSE:
The purpose of this grant is to support interested investors to invest in Nangarhar and Kunar in walnuts processing facilities that will add value to the local products.

EXPECTED OUTCOMES:
- Value added products
- Best practices in the post harvesting of walnuts
- Local job creation
- Contribute in the economic stability
- Produce products for export market

DURATION:
4 Months

ACTIVITIES:
IDEA-NEW will help local investors to invest in walnut processing facilities so that the product can be sold at higher prices in both the local and possibly export markets. Activities will include provision of required machinery (to be installed in two locations) as an in-kind grant. The machinery should have the capacity to process up to 280-300 kg of walnuts per hour. The investor should also provide technical assistance to make sure the local employees understand how to run the new plant. The investor will develop linkages with the production areas, and possibly increase the production of the best varieties as a long term program and plan.

The location of the walnut processing facilities will be Sherzad district Nangarhar province, in Kunar province the location will be in Asadabad city.

DELIVERABLES:

- Local job creation
- Improved quality and improved packaging
- Decrease in exportation of the unprocessed walnuts.

Section 2. Eligibility and Evaluation Criteria

ELIGIBILITY CRITERIA:

Applicants

- Applicants must be registered with the Afghanistan Investment Support Agency (AISA)
- Applicant must be an Afghan non-governmental entity (non Afghan NGOs and non Afghan businesses are not eligible)

Ineligible Activities

The following may not be included in the applicant's request from support from IDEA-NEW:

- Explosives (not allowable for excavation)
- Contingencies
- Profit/Fee

Restricted Costs

The following require USAID Agreement Officer prior approval if paid for out of IDEA-NEW's project funds and are unlikely to be funded. They can be included in the cost leveraging (non-IDEA-NEW funds) portion of the budget.

- Motor vehicles (including motorcycles)
- Pharmaceuticals (for humans or animals, including vitamins)
- Seeds
- Pesticides
- Fertilizer
- Live animals
- Used equipment

Ineligible Activities

The following cannot be included as activities in the grant application.

- Activities and labor creation outside of the covered geographic areas (Nagarhar, Laghman, or Kunar province)
- Activities **fully** funded by other donors during the same time period. However, IDEA-NEW encourages leveraging funds from other sources (co-funding).
- Activities outside IDEA-NEW's objectives and activities
- Pre-award activities, such as application preparation
- Construction of vertical structures (buildings)

EVALUATION CRITERIA:

All applications received in response to this RFA will undergo both a Technical and Cost Evaluation, which will be taken into account by the Selection Committee.

Technical

The following factors will be taken into consideration:

- Activities, Objectives/Outcomes, Monitoring Plan, and Implementation Strategy
- Capability of Applicant (Number of Relevant Projects, Sustainability/Operations and Maintenance Plan, No Negative Environmental Impact, Coordination with GIRoA/COIN Linkages)
- Application's Completeness
- Activities Timeline
- Training/Capacity Building Plan for Beneficiaries

Cost

The following factors will be taken into consideration:

- Price Reasonableness and Feasibility
- Applicant's Contribution
- Applicant's Financial Capacity

Section 3: Application Form and Instructions

INSTRUCTIONS

- The applicant must use the application form and budget template provided in this section of the RFA.