**Call for submission of applications for selection of intervention partner(s) to strengthen value chains in the agricultural sector by introducing a new processed product(s)/service(s)**

Project - Organizational development of the Rural Development Network of North Macedonia and development of sustainable models for food security for local communities

**Reference number 4. 3. 1.3.1**

# Background

The Rural Development Network of North Macedonia (RDN of NM) builds partnerships and achieves strategic cooperation to influence rural development policies at local and national level, supports and engages the rural community through activities for building and utilizing their abilities, skills, and knowledge, promotes and advocates attitudes that encourage conditions for equal development and sustainable use of natural resources. As an organization working on permanent development and inclusion of rural areas, the goal of the activities of RDN of NM is the rural population in the Republic of North Macedonia to live and work in an inclusive environment that encourages diversification and sustainability, enabling balanced development and improvement of socio-economic conditions for living, as well as the preservation of natural wealth and cultural heritage.

In May 2021, RDN of NM launched the project "Organizational development of RDN of NM and development of sustainable models for food security for local communities", which is part of the project “Income Increase and Socio-Economic Empowerment of Vulnerable and Marginalized
Groups from Rural and Sub-Urban Areas (IISEE)”, implemented by We Effect and financially supported by SIDA.

The project activities of RDN of NM are focused on the local rural communities, their resilience, and enabling support in rural development with particular emphasis on the poor members of the community.

The main objectives of the IISEE project are:

Objective 1. Rural enterprises, small farmers/producers grow and provide more income and employment opportunities for the people from the rural area, women and youth in particular.

Objective 2. Local communities are resilient and sustainable, providing support in rural development, especially for poor members of the communities in the selected market systems.

Objective 3. More Roma people have the capacities and the access to the job market, to take up employment and business opportunities in the selected market systems.

Objective 4. Organizational development.

# Scope of the engagement and main tasks

The main objective of this call is to invite interested and suitable parties to be engaged as intervention partner(s) responsible for implementation of a scaled-up intervention based on a tested business model presented below.

The goal of the intervention is to improve market access for small-scale agricultural households by establishing and strengthening market systems in agricultural production, organizing around a buyer (wholesaler, processor) interested in development a new product or service. The intervention, on the one hand, aims to improve access for agricultural households by exploiting their potential for development through the introduction of new production practices. Introduction of new processed product(s) or service(s) on the market will ensure increased and reliable demand for primary agricultural products. The implementation of this intervention will ensure improved access to the market through optimal production, improved quality and increased competitiveness among small-scale agricultural households and processing companies.

The project “Organizational development of RDN of NM and development of sustainable models for food security in local communities” is based on the Market System Development approach (MSD)[[1]](#footnote-1), where after analyses performed, a pilot intervention in pomegranate sub-sector has been implemented.

The tested business model includes the establishment of direct market links based on contract farming, between the processing company, which acts as an intervention partner, and small-scale agricultural households. The process of development and introduction of a new product on the market by the intervention partner imposes the need for reliable and high-quality raw materials from primary agricultural production. For agricultural producers, this means increased and reliable access to the market. For this reason, the business model includes contracted production as the basis on which future cooperation between all stakeholders is established, formalized and built. The business model introduces sustainable advisory services designed to support the small-scale agricultural households in introduction of new or improved production technologies required by the intervention partner.

It is also envisaged that well designed marketing and promotional activities will support positioning of the processed product(s) or service(s) on the market as well as opening new selling channels.

Graph 1. New business model in the agricultural value chain

Agricultural

Households

Advisory

services

Input

providers

Processor

Marketing

services

Market

The new business model was implemented in the period December 2021-March 2022, as a successful pilot intervention, within the project “Support for establishment of the value chain in the fruit sub-sector (pomegranate)”, involving 10 small-scale farmers organized around the pomegranate processor factory Organik Nar, Bogdanci. The intervention’s objective was to support organised sales of lower grade of pomegranates through a contract farming model, while the quality of primary products was ensured though provision of advisory services by the intervention partner. Successful placement of a new product (pomegranate juice), on the market will result in deepening the contractual arrangements with the current pomegranate suppliers, as well as enrolment of new small-scale agricultural households, fruit grower for purchase of new quantities of raw material for processing.

The selected intervention partner shall have a capacity to undertake the following:

**Responsibilities of the future intervention partner:**

* To successfully implement am intervention based on the MSD approach;
* To implement and adopt a developed business model for increasing access to the market by introducing new processed product(s) or service(s) and improving the quality and quantity of primary production;
* To have an active role in identifying small scale agricultural households who will be involved in the intervention, with special emphasis on women and youth;
* To implement outreach and visibility activities if needed;
* In joint cooperation with RDN of NM, actively participate in the development of the intervention plan, budget and plan for Monitoring and measurement of results (MRM)[[2]](#footnote-2);
* To conduct monitoring of the results of the intervention and to timely and efficiently collect data needed for the Monitoring and results measurement system (MRM) of the IISEE project;
* Collaborate with and report timely to RDN of NM’s staff and maintain and develop a collaborative relationship based on participation, accountability, empowerment of non-discrimination, and transparency. Gender equality is a guiding principle for all aspects of this cooperation;
* To respect We Effect’s code of conduct, anti-corruption principles etc. (Available at: <https://weeffect.org/app/uploads/2020/10/gov-0150-v.3.0-we-gl-code-of-conduct.pdf> and <https://weeffect.org/app/uploads/2020/10/gov-0234-v.2.0-we-effect-anti-corruption-and-integrity-policy.pdf>).

**Expected deliverables are:**

* Established team for implementation of activities and their engagement until December 2023;
* Established an effective and sustainable advisory system for agricultural practices, available to small scale agricultural households;
* Number of contracted primary producers (more than 20), of which actively include at least 50% women;
* Developed and marketed at least one new product or service;
* Collected baseline data for the markets and small-scale agricultural households involved in the intervention;
* Collected data (tracker questionnaires) for implemented intervention and evaluation of their effectiveness.

**Types of eligible activities:**

* Establishment an operational business model for the implementation of contract farming (see Graph 1) for development of new processed product(s) or service(s);
* Support the introduction of new agricultural practices and technologies in primary agricultural production;
* Development and implementation of effective advisory service available to small-scale agricultural households;
* Provision of means (tools, materials) to improve and simplify the production process;
* Marketing and promotional activities to support sales of new market product(s) or service(s) of the intervention partner;
* Other types of activities that will support achievement of the goal of the engagement.

**Size of budget intervention and eligibility of costs**

Any budget requested under this ToR must fall within maximum amount:

* Any funding requested must not exceed EUR 30,000;
* Any intervention funding requested must not exceed 50% of the total eligible costs of the intervention;
* The balance (i.e., the difference between the total cost of the action and the amount requested) should be financed by the intervention partner with direct funding and/or in-kind contribution. In-kind contribution refers to provision of goods and services paid by an intervention partner/s;
* Equipment could be purchased to maximum 50% of the funding requested.

**Location:**

* Activities should take place in North Macedonia.

**Partners**

* The intervention partner may have partners established in North Macedonia that could contribute to the accomplishments of the results and must sign a partnership agreement prior to applying, which will define their partnership as well as their respective technical and financial roles and obligations.
* If awarded a contract, the intervention partner/s will sign agreement for Cooperation with RDN of NM.

# Duty travel & accommodation

Costs for travel and accommodation will not be accepted under this engagement.

# Coordination & reporting

The engaged intervention partner will regularly report his/her progress and will report on developed templates (narrative, financial and monitoring result management templates) to RDN of NM on a quarterly basis.

# Qualification requirements

* Any legal entity that is legally registered in the Central Registry of RNM and meets the criteria for trade activity, and has at least 3 years of experience in the agricultural-processing industry;
* A group of associated companies that agree to have one of the companies apply on behalf of the others.

Individuals, public or governmental institutions controlled by government bodies or political parties are not eligible to apply for this public call.

**The intervention partner must be able to:**

* Establish and test the business model;
* Organize and carry out fieldwork and cooperation with small-scale agricultural households and other interested partners in the intervention;
* Prepare reports and submit data to the RDN of NM;
* Work within given deadlines;
* Organize and work with a team;
* Prevent conflict and develop resolution tools.

# Time-frame

The intervention is expected to last in the period September-October 2022 until December 2023.

# Process of application:

Applicants should submit all necessary documents to the following e-mail addresses:

elizabeta.r@ruralnet.mk, vancho.n@ruralnet.mk, and vasko.g@ruralnet.mk.

Application deadline: **02.09.2022**

Applications must be market “Call for applications for selection of an intervention(s) partnership”- reference number 4.3.1.3.1

1. **Required documents:**
* Signed partnership agreements in case of more than one applicant;
* An application form describing how would you best match the required tasks and expected results, (Appendix 1) filled in Macedonian or English language;
* CV of the proposed team members of the intervention partner(s);
* Copy of a valid registration of the applicant (as well as partner(s) if applicable) issued by the Central Registry of RNM;
* Annual financial statement for 2021 of the applicants (as well as partner(s) if applicable);
* Declaration of (non)existence of a conflict of interest (signed)(Appendix B);
* Proposed budget for the intervention on a comprehensive basis (all national taxes included).
1. **Selection Criteria:**

The selection of the application will be based on the following criteria:

* 1. **Technical evaluation (80%):**

The technical evaluation of the received offers will consist of:

* Years of operations of the company in the respective sector;
* Number of regular suppliers (farmers);
* Annual turnover (average last 2 years in Euro);
* Description of activity (understanding of the intervention deal, matching with the synopsis);
* Level of involvement of the intervention partner in the proposed activities;
* Expected results (number of planned contracts signed with agricultural households);
* Expected results (number of new processed product(s)/service(s));
* Expected participation of women and youth as a % of total number of users;
* Expected number of beneficiaries of the intervention (number of beneficiaries who will be affected by the intervention, e.g. number of family members, employees, etc.);
* Expected % of increased gross income for small scale agricultural households involved in the intervention;
* Expected number of introduced new product(s)/services;
* Potential for new employments;
* Sustainability of the intervention after support.
	1. **Financial evaluation (20%)**

The evaluation of the financial offers will be based on the percentage of co-financing and relevance.

# The following expectations will be considered as an advantage in the evaluation process of the proposals:

* Higher number of expected beneficiaries, women, men and youth who directly benefit from the project interventions;
* Minimum of one new product/service developed;
* Introduction of contract farming;
* Introduction of a sustainable model of agricultural development practices for the small-scale agricultural households.

# Terms of payment

The agreed intervention budget amount will be stipulated in the Memorandum for Cooperation (MoC)/Contract for cooperation) and respective annexes. All payments will be made in MKD as per average exchange rate of NBRNM on the date of deliverables approval by the IISEE Project.

# Declaration of relationships

The Applicant shall describe if their organization/employees have any business or personal relationships with closely related party of We Effect, its Regional Office in Skopje, its governing bodies, and employees or with any of RDN of NM.

A closely associated party (persons, physical or legal) as per We Effect’s definition is considered a person who has the possibility to exert control over, or significant influence on, the other person when it comes to financial and operative decision-making concerning an activity. The purpose of the Declaration is to disclose such information which makes the application and evaluation process more transparent and supports the bids in its relevance according to conditions on the open market.

**Contact**

The contact person of RDN of NM for this procurement is Elizabeta Risteska Mrcheska, organisational coordinator, e-mail address: elizabeta.r@ruralnet.mk, Vancho Naunov- co-facilitator, e-mail address: vancho.n@ruralnet.mk, Vasko Gjorgievski - co-facilitator e- mail address: vasko.g@ruralnet.mk.

1. [https://beamexchange.org/market-systems/](https://beamexchange.org/market-systems/what) [↑](#footnote-ref-1)
2. https://beamexchange.org/guidance/monitoring-overview/intervention-performance-monitoring/overview/ [↑](#footnote-ref-2)