



ISSUANCE DATE: February 1, 2017

CLOSING DATE FOR RECEIPT OF QUESTIONS: February 23, 2017 (5:00 PM EST)

CLOSING DATE FOR EXPRESSIONS OF INTEREST (EOI): February 24, 2017 (5:00 (EST))

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**THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
BUREAU FOR ASIA**

BROAD AGENCY ANNOUNCEMENT (BAA) NO. BAA-OAA-RM-2017

**HARNESSING LOCAL INNOVATIONS, EXPERTISE, AND PARTNERSHIPS TO SOLVE
DEVELOPMENT CHALLENGES IN ASIA**

ADDENDUM NO. 2 - ASEAN AGRIBUSINESS DEVELOPMENT

1. Purpose

This is an Addendum to the Harnessing Local Innovations, Expertise, and Partnerships to Solve Development Challenges in Asia under BAA number BAA-OAA-RM-2017 issued on February 1, 2017. The purpose of this Addendum is to request Expressions of Interest (EOI) for research, innovation and collaboration in support of increasing access to finance for entrepreneurs and small- and medium-sized agribusinesses (SMAs) in the ASEAN¹ region. In this activity, USAID seeks to increase the productivity and profitability of such businesses across agricultural value chains in the region by (1) increasing their access to debt finance and (2) developing new agricultural technologies, business process improvements, and improving small trade infrastructure. The goal of this project is to increase access to finance for SMAs operating across the ASEAN countries in which USAID works (including Cambodia, Indonesia, Laos, Burma, Philippines, and Vietnam). This Addendum is a competitive approach to consider ideas that advance the state-of-the-art, allowing USAID to reach out to potential partners with recognized expertise in relevant areas, and to co-create, co-design, co-invest, and collaborate with partners.

2. Background

Agriculture and agribusinesses are key drivers behind the ASEAN region's economic growth. Southeast Asia is one of the most productive agricultural baskets in the world, producing 129 million tons of rice, 40 million tons of corn, 171 million tons of sugarcane, 1.44 million tons of soybean, and 70.34 million tons of cassava in 2012. Advances in technology and regional connectivity have made it easier for such commodities to enter global value chains. In addition to being home to over 600 million people, ASEAN is also strategically located between major East Asia and South Asia markets, making it an ideal supply and processing base for

¹ This addendum is in support of US-ASEAN Connect, a U.S. Government initiative to deepen the United States' growing economic cooperation with ASEAN. Any mention of ASEAN herein does not refer to the ASEAN organization, but instead only to the member economies that make up ASEAN. This addendum does not have any official relationship with the ASEAN organization.

agribusinesses with an eye for expansion and growth.²

Since over half the total population in Southeast Asia depend on agriculture for their livelihoods,³ many are entrepreneurs who work in agriculture,⁴ or employed by SMAs. Despite its importance to agricultural growth, SMAs often suffer from low productivity and declining growth rates.⁵ These businesses have limited access to inputs, information, technology, markets and affordable working capital as well as growth capital to expand their business. Furthermore, many of these businesses have a disproportionate impact on women, who, according to the Food and Agriculture Organization, account for nearly half of the agricultural labor force in Southeast Asia but generally have less access to productive resources compared to men.⁶

Despite this, SMAs remain critically integral to ASEAN economies. Small and medium-sized enterprises account for more than 96% of the private sector and for between 50 and 95% of employment in many ASEAN economies. Additionally, the contribution of these businesses to GDP (ranging from 30 to 50%) and to exports (ranging from 19 to 31%) is significant. Given increased economic integration in the ASEAN region and stronger trade ties globally, there remains significant potential for SMAs to increasingly contribute to Southeast Asia's development through greater participation in global value chains.⁷

These factors highlight the need for improved access to information, technology, and private capital for agribusinesses in order to promote market systems development for not only the member economies that make up ASEAN, but for ASEAN as a region. With the regional connectivity objectives and growth of the ASEAN Economic Community (AEC), the AEC has laid the legal, regulatory, and technological infrastructure to streamline trade between member states, allowing for faster movement of agricultural goods across borders and long distances. Increased AEC connectivity opens a new market opportunity for businesses in the region to integrate into regional and international value chains. This growth and opportunity, however, will demand new sources of financing such as working capital and investment loans as well as technical assistance.

3. Objective and Areas of Interest

USAID seeks, through partnerships with the private sector, innovative approaches to expand access to technology, information, and capital for innovative agribusiness entrepreneurs in the ASEAN region. USAID encourages market actors to address some or all the issues raised in Section 2 and ultimately help to deepen market systems throughout Southeast Asia. The ultimate objective of this activity is to increase the productivity and profitability of businesses across agricultural value chains in the region by (1) increasing their access to debt finance for

² "Agriculture", Invest in ASEAN, <http://investasean.asean.org/index.php/page/view/agriculture>

³ Paul Teng, "The enabling environment for inclusive agribusiness in Southeast Asia", August 2015, http://foodsystemsinnovation.org.au/sites/default/files/the_enabling_environment_for_inclusive_agribusiness_in_sea_by_paul_teng_aug2015_1.pdf

⁴ "ASEAN Economic Community: A Model for Asia-wide Regional Integration?", edited by Bruno Jetin and Mia Mikic, p. 177 (author's estimates based on national labor surveys), copy [here](#).

⁵ A. Eskesen, R. Agrawal, N. Desai, "Small and Medium Enterprises in Agriculture Value Chain: Opportunities and Recommendations", Shujog/Oxfam Research Report, November 2014, p.7.

⁶ "The role of women in agriculture", ESA Working paper N.11-02, March 2011, FAO, <http://www.fao.org/docrep/013/am307e/am307e00.pdf>; Teng, 2015.

⁷ Keng Ho Ong, "Strategic Plan of Action on ASEAN Cooperation in Crops (2016-2020)", 2014, http://asean-agrifood.org/wp-content/uploads/2014/12/Strategic-plan-for-ASEAN-working-on-Crop_140718-report.crops_.pdf, citing ASEAN Strategic Action Plan for SME Development: 2010 – 2015, 2010, <http://www.aseansec.org/SME/SPOA-SME.pdf>

expanding throughout Southeast Asia and (2) developing new agricultural technologies, business process improvements, and improving small trade infrastructure.

Such approaches should consider incorporating the following factors:

- Leveraging existing USAID tools for engaging with the private sector, including a partial credit guarantee by USAID's Development Credit Authority and technical assistance to investors and SMAs;
- Strengthening market linkages to enterprises, lead firms and financial service providers in the region;
- Alignment with existing USAID programming in Southeast Asian market systems and the overall mission of Feed the Future (FTF), the U.S. government's global hunger and food security initiative;
- A truly regional (not bilateral) ASEAN scope that includes at least 2 ASEAN nations in which USAID currently works (including Cambodia, Indonesia, Laos, Burma, Philippines, and Vietnam);
- An emphasis on supporting and capitalizing on regional connectivity under the AEC;
- Partnerships and synergies with other private sector stakeholders, including investors, companies, and NGOs, as well as with other international development organizations; and
- Creative solutions to fostering rural-urban linkages focused on inclusive economic growth.

The illustrative list above is not exhaustive by any means and is meant to give offerors a sense of the issues USAID would like to address within this activity.

4. Instructions for Submitting Expressions of Interest

USAID will review Expressions of Interest (EOI) in accordance with the instructions and evaluation criteria set forth in this Addendum.

EOIs must indicate the research or development idea(s) that will deliver potential solutions to the Objective stated in Section 3. Organizations are encouraged to collaborate with peer organizations that bring differing perspectives and/or comparative advantages. Organizations are also encouraged to think through innovative cost-sharing arrangements. USAID is supportive of approaches that value collaboration as a component of the co-creation and co-resourcing process.

USAID will accept up to two EOIs from a single organization. Selected respondents will be invited to attend a co-creation workshop in Bangkok or Washington, DC (to be determined) on March 16 and 17, 2017.

A. General Instructions for the EOI

EOIs must be submitted in accordance with the following:

- If a respondent does not follow the instructions set forth herein, the respondent's EOI may be eliminated from further consideration.
- USAID will not pay for any EOI preparation costs.
- EOIs must be submitted in English.

- All EOIs submitted in response to this Addendum are due no later than the closing date and time indicated in this Addendum.
- EOIs submitted in response to this Addendum will be received by electronic submission only. Facsimile or hardcopy submissions will not be accepted.
- EOIs must be emailed to aseanagribaa@usaid.gov.
- The EOI must not exceed four (4) pages in length. EOIs longer than four (4) pages will not be considered.
- Respondents must use 8.5 by 11 inch (or A4) paper, single spaced, Times New Roman 12 point font, and have margins no less than one inch on the top, bottom, and both sides. Number each page consecutively.
- The EOI must be in .pdf or .docx format.
- The EOI must contain a header with the following information:
Title: ASEAN Agribusiness Development
BAA Number: BAA-OAA-RM-2017/Addendum 2
Name of the respondent:
Respondent contact person, address, telephone number, and email address
- Questions in regard to the BAA must be submitted via email only to the Asia Bureau team email address not later than (NLT) February 23, 2017, 5:00 PM Eastern Standard Time (EST).
- EOIs must be submitted NLT February 24, 2017, 5:00 PM (EST).
- The subject line of the email must contain “BAA-OAA-RM-2017/Addendum No. 2” and the name of the respondent.

B. Content of the EOI

Provide a brief description of your idea/approach as it applies to Section 3 of this Addendum.

Be sure to address:

- how your idea will improve access to finance and support the growth of agribusinesses in ASEAN;
- what impact your idea may have; and
- how you might implement your idea or approach.

Provide a brief description of your organization’s experience or expertise in the idea/approach you are proposing. Address your ability to harness the comparative advantages of other parties and collaborate with other actors. Please indicate specific relationships with private sector actors, and pre-existing partnership commitments to address access to finance issues for agribusinesses. Provide the approximate duration and target location(s) of your proposed idea/approach. Indicate key assumptions in the successful implementation of your proposed idea/approach.

Provide names of up to two (2) individuals nominated to participate in the Concept Paper workshop, as described in this Addendum. Describe why the individuals you are nominating are the best people to co-create promising approaches to this issue alongside USAID staff and other organizations. Note: Individuals whose focus is on business development for the respondent organization will not be considered for participation in the workshop.

5. Evaluation Criteria

EOIs will be reviewed and selected for Stage 2 of the BAA process according to the following Evaluation Criteria:

Idea/Approach

- How does the proposed idea/approach introduce an innovative approach, fresh perspective, and/or non-traditional solution for increasing access to finance for agribusinesses?
- Is the proposed idea/approach technically sound and grounded in evidence?
- Does the proposed idea/approach demonstrate the potential for impact?

Partnership Expectations and Values

- Strengths your organization would bring as a partner, including your ability to make unique contributions and local context expertise.
- Experience of your organization in building unique partnerships, including with the private sector actors to address access to finance issues.
- Diversity of perspectives and capabilities your organization would bring to the table to enable broader thinking and innovation.

Cost considerations/Co-financing

- How does the proposed idea/approach include ideas for additional financing/cost-sharing?
- Does the proposed approach have potential to be a cost-effective, scalable, and sustainable endeavor?

Ability to Participate

Does the respondent have the ability to provide the participation of up to two (2) technically experienced individuals in the co-creation workshop in either the US or Southeast Asia? **Note: It is essential that the participants be able to participate in the workshop full time.** USAID will not pay for travel costs for participants.

Diversity of Perspectives and Capabilities

USAID seeks to bring together a diverse set of co-creators and resource partners to enable broader thinking, innovation, a shared vision, and a larger resource pool for the region. In particular, we are interested in tapping into local expertise, perspectives, solutions, and financing. The selection of EOIs will be in line with the goal of achieving this diversity.

6. Special Instructions for Participation

For EOIs which are deemed by USAID to have merit to continue on to the Concept Paper stage under this Addendum (Stage 2, per the BAA), USAID will issue an invitation to collaborate to the potential partner(s). Collaboration will entail:

- Working together, USAID and the potential partner(s) will collaborate on a Concept Paper(s). It is during this phase of co-creation or co-design that the parties will begin to determine the need for additional partners and resources to complement the project. The Concept Paper, generally 5-10 pages in length, will further detail and explain the project as initially described in the EOI. The Concept Paper will include concept notes, which will outline a concrete programmatic plan, including goals, methodology, focus areas, monitoring and evaluation, sustainability, gender considerations, timelines, personnel, and budget.
- In order to initiate the Concept Paper drafting process, a co-creation workshop meeting is tentatively scheduled for March 16-17, 2017. The workshop will be held either in

Washington, DC or Bangkok, Thailand, to be determined by USAID at a later date. USAID will make every effort to provide as much advance notice as possible regarding the confirmed workshop location and any change in the meeting dates.

- Following the co-creation workshop, all potential partners may not move forward to Stage 3, per the BAA.

**ALL TERMS AND CONDITIONS SET FORTH IN THE BAA ARE APPLICABLE TO THIS
ADDENDUM**

[END OF ADDENDUM]