

Request for Applications (RFA)

RFA Number: L I N Q # 001
RFA Title: Lebanon Investment in Quality (LINQ) Investment Grants
Issuance Date: January 18th, 2019
Closing Date: February 23rd, 2019
Closing Time: 23:59 (11:59 PM)

Dear Sir/Madam:

Lebanon Investment in Quality (LINQ) is a U.S. Agency for International Development (USAID) funded project that aims to increase the competitiveness of value-added Agri-businesses in Lebanon that will result in increased productivity, trade, growth and competitiveness of Lebanese agribusinesses through investment in improved technology, food safety, quality assurance, and marketing and branding. LINQ will enhance access to finance for infrastructure upgrades essential to improve competitiveness of entities ultimately leading to income and job creation.

LINQ is seeking Concept Notes from agri-business enterprises in Lebanon that are looking to innovate and grow. Applicants are invited to propose activities that help take their business to the next level, through new adopting investments that increase production and energy efficiency, improve food product quality and safety, introduce innovative products, facilitate access to new markets, or revamp product design or packaging. Interested businesses must commit to invest capital or financing, with an average of 30-50% cost-share value requested from LINQ, to demonstrate their commitment to the objectives of the project. Prospective partners must prove their ability to implement business expansion activities immediately and complete all investments within one year's time. Successful applicants in the Concept Note phase will be invited to co-design, with assistance from the project team, a solid grant and/or technical plan for final funding consideration and approval.

LINQ seeks Concept Notes in a prescribed format from private enterprises and agribusinesses, such as those working as aggregators of fresh fruits and vegetables, food processors, packers, exporters etc. LINQ especially encourages applications from the Fruit sectors (apples and other pome fruits, cherries and other stone fruits, grapes...), and the Processed Food sector, with a focus on products linked to agriculture (such as olive oil, ready-to-eat, dairy, zaatar, honey etc.) However, the project is interested in truly innovative and promising ideas. Thus, applications from all agricultural sub-sectors are welcome and will be considered.

LINQ is accepting Concept Note Applications on a rolling basis, and applicants are encouraged to submit concept notes as early as possible. Concept Note review will commence upon receipt. Applications submitted after the closing date, February 15, 2019, will not be considered.

The LINQ team will be readily available to answer questions and explain the requirements to interested parties. This Request for Applications (RFA) document and the template of the Concept Note are available by email request to rprince@landolakes.org. Furthermore, investment forums will be organized in different regions to inform about this RFA and provide guidance on application filling and submission. Subject to review and evaluation of the concept notes received and the amount of funds available, LINQ anticipates awarding 8 to 10 Investment Grants under this RFA, not to exceed 100,000 USD each. LINQ will also award Technical Assistance support under this RFA. Technical Assistance awards provide targeted professional support to businesses to help them achieve their objectives but are not accompanied by capital investments. Applicants that receive technical assistance only under this RFA are eligible to re-apply for investment grants under subsequent RFAs.

More information on this type of grant is in Section I. The format template for the Concept Note is

given in Attachment A.

This RFA consists of this cover letter and the following main sections:

Section I:	Program Description
Section II:	Application Instructions
Section III:	Evaluation Criteria
Attachment A:	LINQ Concept Note Template

If your business decides to submit a Concept Note, it must be received by the closing date and time indicated at the top of this cover letter. All Concept Notes should be written in English and submitted electronically (in MS-Word or PDF file format) via email by the closing date and time deadline above. Submit Concept Note documents via email to: rprince@landolakes.org.

Please include the name and telephone number of the person(s) in your organization who will be the contact person for the Concept Note.

All Investment Grant awards will be administered in such way that the Standard Provision for non-US, non-governmental organizations will apply. For more details please see the link below: <http://www.usaid.gov/policy/ads/300/303>.

LINQ does not guarantee that a Concept Note or Application will be funded until a final written approval is issued by USAID. Land O'Lakes reserves the right to fund any or none of the submissions. Any investment or expenditure made by a prospective business partner prior to official execution of a USAID LINQ grant agreement is solely and entirely at the investor's own risk.

Sincerely,

Celine Melki
Chief of Party

Section I

Program Description

Background:

Agribusinesses in Lebanon are a major contributor to the Lebanese economy, but face challenges expanding their operations and developing their business capacity. Under the USAID-funded Lebanon Investment in Quality (LINQ) project, Land O'Lakes International Development aims to **make agribusinesses more competitive** and consequently, **increase domestic and export sales of agricultural (both fresh and processed) products**. LINQ will identify and work with agribusiness partners – primarily food processors, fresh fruit aggregators, exporters and other businesses that add value to raw agricultural products – to address constraints to growth and profitability. These constraints can be internal to the business or can reside in the business' linkage with its suppliers, the growers/farmers, its distributors or its customers. LINQ will identify gaps and needs in the supply chain and, when necessary, work with the farmers/growers supplying the agribusiness partners.

To address the constraints faced by agribusinesses, LINQ will help businesses develop productivity-based acceleration plans, provide expert training and technical assistance targeting identified needs, and provide investment grants that will improve productivity, expand business operations and open new market opportunities. These interventions are made with the following objectives in mind: (1) to increase the sales and income of agribusiness partners and their suppliers/farmers, (2) to make partners benefit from new market linkages and opportunities, (3) to encourage and support partners expanding and developing their business thru smart investments, (4) to create new job opportunities, (5) to increase the proportion of women involvement and participation, and (6) to maximize the number of people benefiting from the project.

Objectives:

The objectives of this RFA are as follows:

1. Inform businesses in Lebanon about the opportunity for investment grants funded by USAID and how the application process works
2. Advise that LINQ will review Concept Notes on a rolling basis, and early applications are strongly suggested.
3. Receive Concept Notes from interested and qualified private enterprises no later than February 15, 2019, the closing date listed above.
4. Advise applicants that if a Concept Note is approved, the business will be invited to prepare, with co-design, a detailed business plan and financial projections following Concept Note approval.

The criteria against which all Concept Notes will be evaluated are as follows:

- 1. Potential Impact**
- 2. Viability and Sustainability**
- 3. Feasibility**
- 4. Additionality**
- 5. Scalability**
- 6. Women's inclusion and promotion**
- 7. Employment creation**
- 8. Environmental impact**

Specific information on the scoring of evaluation criteria outlined above is provided in Section III below. After applying the criteria, LINQ will then invite selected businesses to enter a co-design process intended to result in a full application for funding. LINQ will collaborate with each selected partner at this stage to further assess the business, operations, marketing, and investment plans and to agree with business owners, investors, bankers or other stakeholders on the investment amounts and timeline to achieve the results proposed. This planning and due diligence process will commence in Quarter 1 of 2019 and will require the full cooperation of the business for LINQ staff to complete the evaluation process.

Section II Application Instructions

This RFA invites business applicants to develop a Concept Note that provides a basic outline of a business plan for growth. The required Concept Note format is included as **Attachment A** and may also be obtained by email request to "rprince@landolakes.org" or by contacting LINQ offices.

The Concept Note format consists of three sections:

1. Applicant Profile
2. Description of Current Business Organization - standardized form about the business
3. Concept Note - Description of Investment Opportunity – a written description (not to exceed 8 pages) of the business idea, the target market, the goals and objectives, the strategy followed, the intended outcomes/results, the list of activities to reach these outcomes, their duration, and the budget estimates including co-financing provided by the business and the investment, if any, requested from LINQ.

In addition, the following supporting documents must be submitted with the Concept Note:

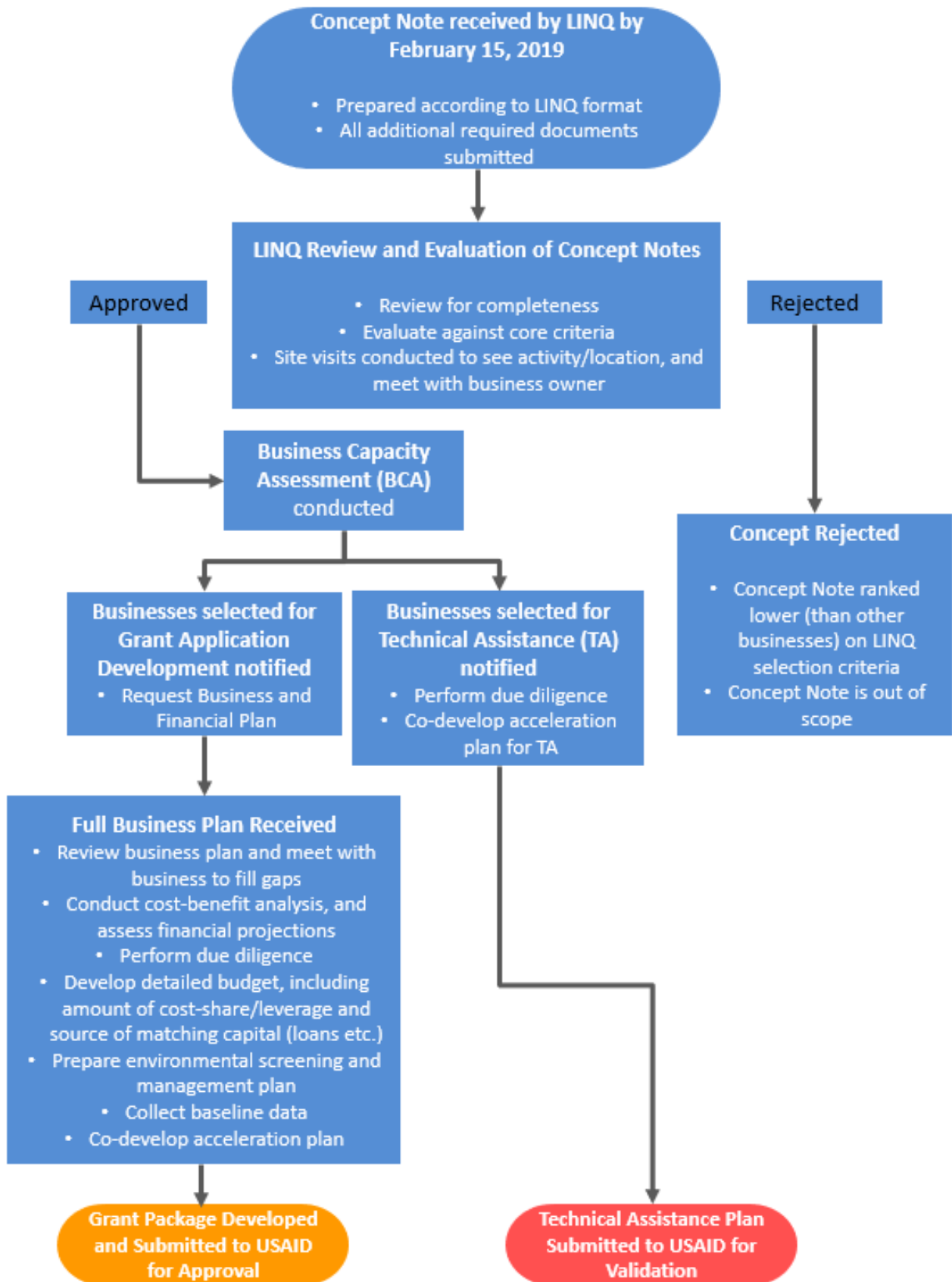
- Business Registration.
- Proof of ownership, rights, or access to land required, such as a copy of deed or lease agreement.

Applicants may attach additional information or data that will substantiate and strengthen the application and Concept Note for the proposed business venture.

For those concepts that meet the evaluation criteria above, LINQ representatives will schedule a visit to the business location and proposed project site(s).

Any shortcomings or missing requirements should be explained by the business and rectified within a specific timeline. LINQ may keep some applicants for consideration at a later time.

On or before March 14, 2019, LINQ will inform all applicants whether their Concept Note has been approved. **Please refer to Figure 1 on the following page for the process that will be followed in concluding this RFA.**



Business Plan and Full Application for Investment Grant:

Partners who are selected as potential grantees will be required to prepare a detailed business plan. They will be supported in this process by the LINQ team (the co-design) and undergo a business capacity assessment to aid in the process. They will receive detailed instructions on how to proceed as well as an application template and format for a business plan and financial forecast. LINQ approval of a Concept Note may include conditions that the applicant must address in its business and financial plans and will require agreement to cooperate in an environmental impact assessment and pre-award audit.

Successful applicants will be required to dedicate significant time and resources to the business planning. A business capacity assessment (BCA) will be performed by LINQ at the agribusiness premises, to evaluate current operational and business capabilities and identify existing needs and gaps. A due diligence audit will also be performed by LINQ to evaluate candidates' financial and administrative situation, including record-keeping, system documentation and internal controls. After the full application is received, LINQ technical team will review the findings of the due diligence; assess the feasibility and cost-benefit of the proposed investment budget, the level and type of partner co-investment, and the environmental impact of the project. In parallel to the above, Acceleration Plans will be co-developed to focus on Technical Assistance requirements and align assistance to the implementation of the grant-supported investments.

Investment Grant Agreement:

Subject to approval by USAID, the selected business will enter into a formal written Sub-award (Grant) Agreement with LINQ. It is a contractual agreement that details the objectives, amount of funding committed by LINQ and by the business, timeline for achievement of key elements of the business plan, number of jobs and income opportunities to be created for both agribusiness partners and supplying farmers/growers, and monthly financial reporting of the expansion activity and quarterly reporting of job creation and other activities. The business must also agree to monitor and mitigate potential environmental impacts and to participate in training and capacity building (as co-designed with the business) offered by LINQ to improve business practices and growth potential. To ensure compliance with USAID regulations, LINQ will be actively involved in procurement of machinery and equipment and any construction activities funded by USAID through the Agreement. LINQ will conduct a standard pre-award audit and the selected organization will be required to submit most recent audited financial statements before awarding the grant.

Section III

Concept Note Evaluation Criteria

The following criteria will be used to evaluate and score all complete Concept Notes, targeting investment grant packages, received by the Closing Date of the RFA.

Evaluation Criteria	Points
1 Impact. Proposal will be more competitive if it fills an important gap in a sector or sub-sector and creates an impact for the business and its stakeholders, in terms of (1) sales and income generation for ownership and company staff, (2) market linkages created, and (3) number of supplier farmers benefited by the project.	20
2 Viability and sustainability of the proposed business model. LINQ will prioritize projects for which the market opportunity is clearly identified and defined, either locally or for export, and the approach to reach customers and develop sales is explained and substantiated. As well, the business should demonstrate commitment and ability to provide required resources and capability to sustain its operations after LINQ intervention.	20
3 Feasibility. Applicant to demonstrate they can implement the project on an operational, technical and financial level. We look at (1) years of experience, (2) organizational structure/capabilities and (3) financial capacity, to mitigate risk and indicate ability to co-invest (for Grants). Business to provide evidence of available funding to cover the business owner's capital contribution.	20
4 Additionality. LINQ will prioritize initiatives that could or would not have happened, if not catalyzed by LINQ intervention, due to (1) lack of access to funds, (2) lack of technical or operational skills, (3) unwillingness to bear the risk with no support etc.	10
5 Scalability. LINQ will prioritize innovations that can be replicated at a larger scale across the sector.	10
6 Opportunities for women in ownership, management and/or employment in the business. Proposals that incorporate, in measurable terms, women's participation and involvement (leading to increased economic benefits) will be more competitive.	10
7 Employment created for Lebanese nationals as a result of the activity. Jobs expected through LINQ include new staff at agribusiness partners as a direct result of the proposed business activities.	5
8 Environmental Impact. LINQ will prioritize projects that demonstrate beneficial environmental impacts through innovative production techniques, green energy, waste reduction and treatment, etc.	5
Total Points Available	100

Attachment A
LINQ Investment Partnership Application Concept
Note Template

Section 1. Applicant Profile

(a) Name of business entity submitting the Application														
(b) Contact Details - Name(s) - Title(s) - Address - Telephone - Fax - E-mail - Website Address Landline: Mobile:														
(c) Business Registration	Registration No: Date of Registration:														
(d) Company Location: - Mouhafaza - Caza - City - Detailed Address														
(e) Nature of the new investment/ initiative														
(f) Estimated new employment opportunities due to investment/ initiative	Total number of new employment opportunities to be created: Female: _____; Male: _____; Total: _____. <i>Detailed breakdown of expected new employment opportunities to be created to be provided in Section 3 (g).</i>														
(g) Proposed Investment Structure (for Grant Packages)	<div style="text-align: right;">(USD)</div> <table style="width: 100%;"> <tr> <td>Capital provided by the business</td> <td style="text-align: right;">.....</td> </tr> <tr> <td>Capital requested from LINQ</td> <td style="text-align: right;">.....</td> </tr> <tr> <td>Total Investment Required</td> <td style="text-align: right;">.....</td> </tr> </table> <p>Sources and amount of finances available to the business to invest in the expansion. (e.g. business partners/owners, name of financial institution/s)</p> <table style="width: 100%;"> <tr> <td>(a).</td> <td style="text-align: right;">.....</td> </tr> <tr> <td>(b).</td> <td style="text-align: right;">.....</td> </tr> <tr> <td>(c).</td> <td style="text-align: right;">.....</td> </tr> <tr> <td>Total Capital Investment provided by Business</td> <td style="text-align: right;">.....</td> </tr> </table>	Capital provided by the business	Capital requested from LINQ	Total Investment Required	(a).	(b).	(c).	Total Capital Investment provided by Business
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(a).														
(b).														
(c).														
Total Capital Investment provided by Business														
(h) Timeframe to complete business operation	Expected start date: Expected completion date: Duration including testing period: months														

Section 2. Description of Current Business Organization
-- Organization Form and Structure

<p>(a) Basic information</p>	<p>Business Starting Date:</p> <p>Owner Name(s) (Does not apply to corporations):.....</p> <p>.....</p> <p>Location/s of current operations:</p> <p>Nature of the Business:</p> <p>Industry/sector:</p> <p>Products/services:</p> <p>.....</p> <p>Target Market (customers):</p> <p>.....</p>
<p>(b) Legal Structure</p>	<p>Please select the most appropriate structure that applies to your organization with an "X" on the below and provide extra information where requested.</p> <p><input type="checkbox"/> Sole-proprietorship</p> <p><input type="checkbox"/> General Partnership; No. of Partners: ____</p> <p><input type="checkbox"/> Limited Partnership; No. of Partners: ____</p> <p><input type="checkbox"/> Joint Venture</p> <p><input type="checkbox"/> Joint Stock Company (SAL)</p> <p><input type="checkbox"/> Limited Liability Company (SARL)</p> <p><input type="checkbox"/> Holding Company</p> <p><input type="checkbox"/> Offshore Company</p> <p><input type="checkbox"/> Co-operative Society</p> <p><input type="checkbox"/> Other (Please specify)</p> <p>.....</p> <p>No. of Shareholders (for corporations): _____</p> <p>No. of members in the Board of Director: _____</p>

<p>(c) Type of Business Operation</p>	<p>Please select the most appropriate type of business operation that applies to your organization:</p> <p><input type="checkbox"/> Manufacturing</p> <p><input type="checkbox"/> Services</p> <p><input type="checkbox"/> Processing/Packaging</p> <p><input type="checkbox"/> Distribution</p> <p><input type="checkbox"/> Other. Please specify:</p> <p>Please specify the products manufactured / services offered / items processed, packed or distributed:</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>(d) Sales and Distribution (in Lebanon)</p>	<p>Please state the areas and channels where your products are distributed.</p> <p>.....</p> <p>.....</p> <p>Describe the distribution model you follow. Do you work with one or more distributors? Do you distribute through wholesalers? Directly to market?</p> <p>.....</p> <p>.....</p> <p>How many Points of Sale are your products available in?</p> <p>.....</p> <p>Specify the resources being utilized for distribution:</p> <p>Personnel:</p> <p>Vehicles:</p> <p>Outlets/Stores:</p>
<p>(e) Export</p>	<p>Do you export any of your products? If yes, which products?</p> <p>.....</p> <p>.....</p> <p>Please specify the countries to which you export:</p> <p>.....</p> <p>.....</p> <p>For each country, state the agents/distributors used, or specify if you have your own organization?</p> <p>.....</p> <p>.....</p>

(f) Main Suppliers	<p>Indicate your key suppliers of raw material, and their origin (local or imported):</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Indicate your suppliers of packaging material, and their origin:</p> <p>.....</p> <p>.....</p> <p>.....</p>																								
(g) Management structure	<p>Describe the management structure in brief, listing managerial categories and departments, with number of employees in each. Indicate if any person holding a managerial position is also an owner or Directors of the business. Roles held by women should be identified.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Alternatively, you can attach the organizational structure diagram capturing the above information.</p>																								
(h) Current Employees	<table border="1" data-bbox="513 1225 1236 1583"> <thead> <tr> <th colspan="4">Current Number of Employees</th></tr> <tr> <th></th><th>Male</th><th>Female</th><th>Total</th></tr> </thead> <tbody> <tr> <td>Full-Time</td><td></td><td></td><td></td></tr> <tr> <td>Part-Time</td><td></td><td></td><td></td></tr> <tr> <td>Contractual</td><td></td><td></td><td></td></tr> <tr> <td>Total</td><td></td><td></td><td></td></tr> </tbody> </table>	Current Number of Employees					Male	Female	Total	Full-Time				Part-Time				Contractual				Total			
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(i) Yearly Turnover	<table border="1" data-bbox="534 1722 1455 1919"> <thead> <tr> <th></th><th>2017</th><th>2018</th><th>2019 (estimated)</th></tr> </thead> <tbody> <tr> <td>Sales Turnover in Value (USD)</td><td></td><td></td><td></td></tr> <tr> <td>Quantity in Volume (units)</td><td></td><td></td><td></td></tr> </tbody> </table>		2017	2018	2019 (estimated)	Sales Turnover in Value (USD)				Quantity in Volume (units)															
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Sales Turnover in Value (USD)																									
Quantity in Volume (units)																									

Section 3. Description of Investment Opportunity

A. Background for the Proposed Project / Business Initiative (Approximately 1 page)

- (i) Project rationale. Please address:
 - a. Context and specific development challenges / needs faced by the business
 - b. Project goals and objectives, and how they link to needs addressed in point (a)
 - c. Start and completion dates for the project.
 - d. Geographic coverage for the project operations.
 - e. What are the targeted products?
 - f. Who are the targeted customers?
 - g. Who are the key partners? What are their roles in the project?
- (ii) Value proposition and competitive advantage. Explain:
 - a. How the project will be competitive in the market?
 - b. Who are the current market competitors?
- (iii) Describe key success factors for proposed business initiative.

B. Purpose of the Investment (Approximately 0.5 pages)

- (i) Investment required for the business initiative to succeed:
 - a. Capital Investment (physical plant, equipment, supplies, operating capital...)
 - b. Technical Assistance or Training Investment
 - c. Other
- (ii) What will the investment be used for? (e.g. - for expansion, new technology, new approach...)

C. Technical Viability/Sustainability of Proposed Project (Approximately 1 page)

- (i) Technical approach to be used to achieve project objectives.
- (ii) Plant, machinery and equipment needed to conduct the project.
- (iii) Link between new project and existing business, and how it will build on existing resources.
- (iv) Description/plan of how project will be sustained after LINQ intervention ends.
- (v) Procurement of raw material, and identification of key suppliers.
- (vi) Technically qualified staff and capable management to operate and implement the project.

D. Financial Viability/Sustainability of Proposed Business

- (i) Financial feasibility. **Attach projected income statement and cash flow statement for the upcoming 5 years of operation. Include length of time to break-even.**
- (ii) Summary of Financial Indicators

	Past Performance		Estimated Results	
	2017	2018	2019	2020
Revenue				
Gross Profit				
Net Profit				
Net Cashflow from Operating Activities				
Retained Profits Carried Forward				

Results to be derived from the projected income statement and cash flow statement requested in Section 3 (d)(i).

(iii) Budget for New investment(s) to be made

Investment Category	Quantity	Cost per Unit (USD)	Total Cost (USD)	Cost Share – Business contribution	Budget Notes <i>Describe how the cost was determined</i>
Equipment					
Supplies					
Operating costs					
Plant					
Vehicles					
Technical Assistance (e.g. marketing, accounting, HR policy development, etc.)					
Training					
.....					
Total Budget					

E. Project Implementation Timeframe

Breakdown by Activity and Key Milestones – please follow below format:

	Start Date	Completion Date
1.		
2.		
3.		
4.		
5. Project completed and fully operational		

F. Expected Impacts, Results (Approximately 1 page with table)

- (i) Description of the impact expected on the business, on key suppliers and partners, and in the community.
- (ii) Description of the impact expected on farmer suppliers (when applicable) and other key partners.
- (iii) Description of the impact expected on women participation, empowerment, and advancement (when applicable).
- (iv) How many sustainable employment and income earning opportunities will this expanded business activity create? Please provide the breakdown as per following categories. The number of current employees should relate to the information given in Section 2 (h).

The Applicant may use and submit the below in MS Excel formats to compile the information and provide summary description.

Number of Employment and Income Earning Opportunities.

Jobs Table			
Proposed Designation (by Function or Department)	Current Operations	New Positions for Expanded Operations	Total
Management			
Production & Supply Chain			
Accounting & Finance			
Marketing & Sales			
Contractual Services			
Total			

Distribution of Employment and Income Earning Opportunities by Gender

	Current	Proposed	Total
Female			
Male			
Total			

Instructions:

Applications for public-private alliances with LINQ in response to RFA 001 are required to complete the Concept Note set out in this format. Concept Notes should be brief, complete and substantiated with factual information and relevant supporting documents. The proposed business idea must create economic benefits and employment opportunities in at least one of the four provinces targeted.

LINQ will verify that owners, directors, businesses, or related entities are not included on the U.S. Government's list of restricted individuals and organizations - USG EPLS, UN Designated Individuals, or OFAC SDN lists.

All businesses receiving assistance will be subject to vetting by the USAID Vetting Support Unit; all selected businesses are required to submit personally identifying information and supporting evidentiary documentation in support of this vetting process. Any individual with control of the flow of finances shall be vetted including board of directors, owners, managers and CFOs or similar.

Application Submission:

The Concept Note and required supporting documents should be submitted electronically (in MS-Word or PDF file format) via email by the closing date and time deadline via email to as specified in the Request for Application (RFA).

Formats for projected financial statements and information on new employment opportunities to be created are provided in MS Excel file format with the RFA documents.

Required supporting document checklist

- Business Registration.
- Proof of ownership, rights, or access to land required, such as a copy of deed or lease agreement.

Optional Supporting Documents:

Applicants may attach additional information or data that will substantiate and strengthen the application and Concept Note for the proposed business venture.

Disclaimer:

Approval of a Concept Note by LINQ does not guarantee that a business' Concept Note or subsequent Application will be funded. Land O'Lakes reserves the right to fund any or none of the submissions. Additionally, all grants must first receive a final written approval issued by USAID. Any investment or expenditure made by a prospective business partner prior to official execution of a USAID LINQ grant agreement is solely and entirely at the investor's own risk.