



**USAID**  
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**EAST AFRICA**

**Release Date:** October 3, 2008  
**Pre-solicitation Conference:** October 27, 2008  
**Closing Date for comment:** November 3, 2008  
(4:30pm, Nairobi)

**Subject: Pre-solicitation Notice #623-EA-09-001, entitled “Draft Requirement of the Support for Food Security Activities (SFSA) Indefinite Quantities Contract (IQC)”**

Dear Interested Parties,

This is to inform you that USAID has released the draft statement of work for the new USAID program concerning food security activities for your close review and considered comment. Comments must be provided to USAID by no later than the Closing Date and Time stated above via email to Mr. Tad Findeisen, Contracting Officer at [TFindeisen@usaid.gov](mailto:TFindeisen@usaid.gov) and [CAfrica@usaid.gov](mailto:CAfrica@usaid.gov).

A draft statement of work is below and this letter will be posted at [www.fbo.gov/](http://www.fbo.gov/). In summary, the purpose of the pending requirement is to develop production techniques, marketing and trade in staple foods as a means of enhancing food security. In addition, other activities and programs will mitigate the negative impact of rising commodity prices on food security. Activities and projects will be implemented within countries that are member states of the Common Market for Eastern and Southern Africa (COMESA) Regional Economic Community (REC) and Tanzania, which is not currently a member state of COMESA.

The anticipated ceiling price is over \$500,000,000.00 over a maximum 5-year period of performance.

USAID plans to hold a Presolicitation Conference in Nairobi, Kenya at the U.S. Embassy Chancery Building (multipurpose room) on Monday, October 27, 2008, starting at 8:30am. Each must pre-registered to gain entry. This is accomplished by submitting your full legal name, email account, name of firm represented and office telephone number to [TFindeisen@usaid.gov](mailto:TFindeisen@usaid.gov). More specific detailed information on the conference and the registration process will be communicated to those individuals who contact USAID and pre-register. Additional material concerning the pending requirement or even a complete initial draft of the RFP may be released prior to the planned pre-solicitation conference.

Sincerely,

/s/

Marcus A. Johnson, Jr.

Supervisory Regional Contracting Officer

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## **SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK**

### **C.1 BACKGROUND**

The long-term trend of rising commodity prices presents both opportunities and threats to food security in the Eastern and Southern Africa region. The USAID/East Africa mission is establishing the Support for Food Security Activities (SFSA) multiple award IQC as a mechanism for USAID missions to undertake food security-related activities and programs in a timely manner. Activities and programs under this IQC will develop production, marketing and trade in staple foods<sup>1</sup> as a means of enhancing food security. In addition, other activities and programs will mitigate the negative impact of rising commodity prices on food security. Activities and projects under this IQC will be implemented within countries of the Common Market for Eastern and Southern Africa (COMESA) Regional Economic Community (REC) and Tanzania.<sup>2</sup>

The USAID/East Africa serves as a regional platform to provide coordination and leadership in one of the world's poorest and most unstable areas. Experts at USAID/East Africa mission operate through three mandates:

1. Implement regional programs
2. Manage limited- and non-presence country programs in Eastern and Central Africa, and
3. Provide technical expertise and core services to bilateral AID missions within the region

Regional programs include a number of cutting edge initiatives in agriculture, trade and environmental management. Services to bilateral mission include support on contracting and legal services. The SFSA IQC is a joint project between the office of Regional Economic Growth and Integration (REGI) and the Regional Food for Peace Office of USAID/East Africa Regional Mission. REGI is the largest office in the USAID/East Africa mission with two major divisions; Regional Trade and Sustainable Agriculture. The Regional Food for Peace Office backstops P.L. 480 Title II emergency and non-emergency programs in the region, with the goal of reducing food insecurity through development relief programs and through the provision of humanitarian assistance.

### **C.2 OBJECTIVES**

The objective of this IQC is to allow USAID missions within COMESA member states and Tanzania to engage in agriculture, trade, food security, natural resource management, and humanitarian assistance projects in a timely manner. It will also serve to build up a regional knowledge base based on experience in addressing production, marketing, value chain and trade constraints to economic growth, and provision of humanitarian assistance.

Activities and programs implemented through the SFSA IQC will support food security and development of the COMESA's implementation of the Comprehensive African Agricultural Development Program (CAADP) and the efforts of key African regional institutions to promote

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<sup>1</sup> Staple foods in this document refer to grains, legumes and pulses, and livestock.

<sup>2</sup> COMESA member states currently include Burundi, Comoros, Democratic Republic of Congo (DRC), Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe. (Source: <http://www.comesa.int/countries/index.html/en/view> )

regional integration and trade and to improve the flow of key staple food commodities. A key partner will be COMESA's new Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), and its goal and objectives:

Goal: "Increased regional integration and improved competitiveness of staple food markets, leading to broad based growth and decreased food insecurity".

Objectives of ACTESA are:

1. Improve competitiveness and integration of staple foods markets in COMESA member states through improved micro and macro economic policies as the drivers of staple food markets
2. Improve and expand market facilities and services for staple foods commercialisation to facilitate growth in staple food markets
3. Increase commercial integration of staple foods producers into national and regional markets to promote growth in food staples and food security

SFSA contractors will collaborate and/or partners with non-governmental organizations (NGOs), regional trade associations or other organizations, and will work with and support African institutions as a priority empowerment strategy.

### **C.3 REGIONAL CHALLENGES**

The Eastern and Southern Africa region faces increasingly severe and frequent food security crises. Recurrent droughts, floods, armed conflicts and other shocks, slow growth in agricultural productivity, and a range of local factors have led to uncertain food supplies and highly variable prices. Food security crises are becoming progressively more frequent and more severe, and trigger ever larger responses in the form of Food Aid and other kinds of emergency assistance. Millions of small-scale, chronically food insecure farm households are able produce a variable portion of their own food needs. Nevertheless, they face very high levels of risk, and many are trapped in a vicious cycle of selling food at low prices at the time of harvest, only to buy the very same kinds of food back at much higher prices a few months later. A vast network of partners supported by Title II Development Relief and other donor-funded programs are working with communities of smallholders to increase food production. They are distributing seeds, tools, and fertilizers, and diffusing improved technologies of various kinds. However, agronomic advances in productivity alone cannot reverse the trend toward increasing severity and frequency of food crises. If increased production at the local level cannot be marketed efficiently, prices often crash, and farmers have no way to build their assets.

Much greater, coordinated support is needed for the complimentary development of viable market institutions and facilities, and on improving mechanisms for linking chronically food insecure smallholder producers with reliable markets. Through CAADP, African governments have committed themselves to improving infrastructure and market access. USAID/East Africa is supporting COMESA and other partners working to reduce barriers to regional trade -- reducing customs and other tariff and non-tariff barriers and delays at borders, streamlining and harmonizing trade policies and phytosanitary other kinds of regulations, and providing reliable and timely market information. The RATES project, working in support of COMESA, has

shown that linking areas of potential surplus production of staple foods with areas of demand in eastern and southern Africa-- “maize without borders” – can even out seasonal and spatial price fluctuations and increase the size of the market available to African smallholders. The RATES program is incubating the development of the private sector-led East African Grains Council, which is working on the development of a more structured grain trading system in the region. Improved efficiency of regional value chains for staple grains will complement programs at the national level, support by USAID bilateral missions, the EU, and other donors.

Key institutional innovations include warehouse receipt systems, which provide farmers with a way to access reliable markets at reduced price risk and also provide a source of credit finance. These and other market innovations, eventually including crop insurance, commodity exchanges, etc, can only succeed if farmers can be organized, trained, and supported to link into them, providing the reliable supply and consistent quality that markets demand.

#### **C.4 ANTICIPATED DEMAND**

Initially, the SFSA IQC will be used primarily to implement two interrelated programs:

##### 1) Famine Fund Market Linkages Program:

Largely constituting USAID’s support to COMESA’s new ACTESA, activities will include providing technical assistance and training to

1. Enhance the capacity of farmer organizations to link producers with markets and
2. Help build market institutions that serve the vulnerable smallholders in selected cross-border market sheds.

Starting in areas where innovative market institutions and policy and regulatory reforms are already being tested by other partners, activities will support and disseminate innovations that allow smallholder farmers to participate in markets in ways that will increase their food security and incomes. The effort will develop networks that facilitate sale of staple foods through market channels in areas with good agricultural potential, but recurring food security crises. Fast-track pilot activities will be located in strategic cross border zones where areas of production that can be linked with demand in other countries. Efforts to link increased productivity with market possibilities that can be tested through a vast network of community-based organizations (CBOs) and farmer groups to find scalable interventions rapidly.

##### 2) Global Food Security Response:

The U.S. President has announced a U.S. government response to mitigate the immediate impacts and address the underlying causes of the recent increases in global food prices. The response comprises three interrelated pillars that support each other to target the immediate consequences and the underlying causes of this emerging crisis:

1. Provide an immediate humanitarian response by increasing emergency food aid and expanding non-food assistance;
2. Undertake urgent measures to address causes of the food crisis by increasing agricultural productivity, alleviating transportation, distribution and supply-chain bottlenecks, and promoting sound market-based principles; and

3. Address a global policy agenda to address the systemic causes of high food prices, including support for trade liberalization and increased use of advanced agricultural technologies.

Activities under the Global Food Security Response may include implementing local and regional purchase (LRP) of food aid, and distribution of food aid and other forms of humanitarian assistance, both through direct distribution as well as through voucher or cash transfer systems.

Local procurement refers to the process of buying food aid commodities in the same country where the food aid is distributed; regional procurement is the purchase of these commodities in a different country in the same region. The ability to procure food aid commodities locally and regionally offers an exceptional opportunity to meet humanitarian needs in an efficient and timely fashion; fill pipeline gaps prior to the arrival of food shipped from the U.S.; and increase the total amount of life-saving food aid U.S. assistance resources can provide in response to the current food security crisis.

In addition to its value as tool for rapid humanitarian response, local and regional procurement has the potential to strengthen and expand commercial markets, stimulate local and regional production, and ultimately reduce emergency food aid requirements. However, in Africa, infrastructure and policy constraints limit the ability of smallholder farmers to participate in the process—reducing the likelihood that local procurement (as currently implemented) will act as a driver of sustainable food security and broad based, agricultural growth.

## **C.5 SCOPE OF WORK (SOW)**

Anticipated contractor duties include provision of technical and advisory services, training, provision of grants to local/regional organizations and other services to USAID missions, regional offices and/or their clients. Contractors and associated partners shall provide these services through execution of task orders with specified performance benchmarks for achievement of objective. The duties of the contractor outlined below as core tasks and technical tasks.

## **C.6 CORE TASK: MANAGEMENT OF THE IQC**

The contractor shall manage the IQC and undertake preparation of task order proposals that may include:

1. Program/project/task design for programs specifically related to staple foods (grains, legumes, and livestock) and to addressing constraints to the marketing and trade of staple foods.
2. Analysis, assessment and recommendations
3. Program and activity management
4. Program and activity evaluation
  - a. Base-line, mid-term or final activity evaluation
  - b. Performance targeting and monitoring
5. Provide logistical and supervise support for task implementation teams

6. Collaborate in resolving IQC and Task Order issues
7. Manage contract resources cost effectively
8. Provide technical and advisory services that:
  - a. Assist USAID/East Africa and other missions in COMESA member states and Tanzania to accomplish task order objectives
  - b. Offer training and research services
9. Work closely with representatives of other development assistance institutions to coordinate programs and policies
10. Partner, subcontract, or prepare and administer grants with local, non-US organizations where and when necessary to accomplish Task Order objectives.
11. Design, prepare, and manage grants to local organizations
12. Work closely with government, private sector, non-government, and private voluntary organizations (PVOs), and use local expertise.
13. Work with institutional partners of USAID countries to:
  - a. Achieve USAID Mission regional or bilateral Strategic Objectives and the objectives of the Famine Prevention Fund and/or President's Response to the Global Food Crisis
  - b. Establish relationships with local businesses, banks, professional associations, local consulting firms, and non-governmental organizations

## **C.7 TECHNICAL TASKS**

The contractor shall be prepared to provide expertise and technical assistance in the following technical task areas, either as an individual firm or through -subcontractors:

1. Agricultural Productivity
  - a. Technology development and transfer to farmers
  - b. Seed and input supply systems
  - c. Soil and water management
  - d. Crop and animal management
2. Market Facilitation
  - a. Market information delivery, through mobile phone, and radio for example.
  - b. Storage and warehousing
  - c. Warehouse receipts programs
  - d. Agriculture-related financial services development
3. Value Chain Assessment and Development
4. Farmer Association Development
5. Regulatory and Policy Reform
6. Humanitarian Response
  - a. Food aid management
  - b. Local and regional procurement of food aid
  - c. Design and management of voucher and cash transfer relief systems
7. Public-Private Partnerships
  - a. Intellectual property
  - b. Corporate social responsibility
  - c. Facilitation and partnership building
8. Business Development Services

9. Trade and Transit Facilitation
10. Nutrition

This list of tasks is illustrative and is not considered all-inclusive. Technical assistance required covers potential activities that are necessary to address the problems and impediments to staple foods productivity, competitiveness and trade in Eastern and Central Africa, including special attention to link vulnerable groups to mainstream markets, information and opportunity.