

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



**MINISTRY OF FISHERIES AND AGRICULTURE  
MALE'  
REPUBLIC OF MALDIVES**

Reference: FA-G/29/2010/01

# **INVITATION FOR EOI FOR THE DEVELOPMENT VALUE CHAIN COMPANIES**

## **INVITATION FOR THE EXPRESSION OF INTEREST (EOI) FOR THE DEVELOPMENT OF VALUE CHAIN COMPANIES FOR THE PRODUCTION AND MARKETING OF HIGH VALUE AGRICULTURAL AND FISHERIES COMMODITIES INVOLVING PRIVATE SECTOR PARTNERS AND SAMLLHOLDER PRODUCERS**

### **Description of Requirement**

The Government has obtained a loan from the International Fund for Agricultural Development to help finance the Fisheries and Agricultural Diversification Programme. The Programme strategy is to ensure access for poor and low income small producers and women to high value quality niche markets where premium prices can be earned. To achieve this, the Programme would establish value chain companies jointly with private sector partners. The companies would be managed by a professional manager, who would ensure producers receive proper information, are trained in applying high quality standards in production and processing, have access to the required loan resources for working capital and processing equipment and fulfil orders properly and in a timely manner. Each company would enter into long-term commercial contracts with customers in high-end quality markets, either domestically (e.g. resorts, supermarkets) or for exports. The value chain companies would develop and own specific brands which would meet quality and food safety standards, compatible with high end market positioning. Shares in the value chain companies would be held initially by the government and the commercial private partner. By the end of the Programme, the Government would divest 100% of its equity to the producers.

### **Scope of Services**

Subsequent to this Expression of Interest and establishment of a short list, shortlisted Private partner companies would be invited to draft a business plan and investment plan for the value chain company and the high value commodity or commodities for which they will ensure market access. The draft plan will need to be discussed and reviewed with potential small producers and will indicate the prospective location of production and the anticipated number of small producers. An ad hoc Technical Review Committee of the Programme would carry out an appraisal of the plan and recommend it for approval if it meets profitability, sustainability and environment, poverty reduction and gender criteria. Investment costs would be shared between the private company and the Programme. Implementation would be the responsibility of the Board of Directors of the value chain company with support from the professional manager, the Private partner and the Programme.

### **Definition of commodities or products of VCC**

The choice of value chains to be supported by the programme is broad and includes fresh and processed commodities from crops, livestock and fish which can be produced with the involvement of small producers, fishers and farmers.

## Estimated Scale of the Business

Each VCC should aim to target the following number of smallholder producers each year.

	1 <sup>st</sup> Year 2010	2 <sup>nd</sup> year 2011	3 <sup>rd</sup> year 2012	4 <sup>th</sup> year 2013	5 <sup>th</sup> year 2014	Total End of Project
Number of Producers	27	27 (additional)	27 (additional)	27 (additional)	27 (additional)	135

The ratio of Government, IFAD (loan) and Private Investor's investment in terms of capital would be decided after the evaluation of the papers submitted with the EOI, based on the proposals on investment plans submitted by the shortlisted companies.

## Expression of Interest

In this connection the Government of the Maldives is requesting written 'Expressions of Interest' (EOI) from eligible private sector companies with relevant experience, know-how and access to high value markets and the required operational and financial capacity to collaborate with the Programme on the basis of a Memorandum of Understanding and an equity investment in the value chain company.

### The EOI shall consist of the following:

- A brief profile of the applicant, including (if applicable) current experience in the management of similar production and direct purchase activities by the applicant;
- A brief concept paper on the selected high value commodity or commodities, of interest to the partner; the scope of the value chain to be developed, the main outline of a possible business strategy with an indication of the target markets and the proposed marketing modalities; the possible location of the production base and the scope of small producers involvement.

**Composition of EOI** The information required under the company profile will include:

- Letter of Application indicating: name, title, address and telephone number of the Principal who will serve as the Contact for this project.
- Details of the individual, firm, company or consortium, including company profile, expertise and resource capacity;
- Brief background of senior management personnel;
- Original copies of all ISO Certification or other official certifications ;
- Performance in projects of a similar nature and size for each of the last five years, if any,
- Documents providing proof of financial capacity to undertake partnership with the Programme, including profit and loss statements, balance sheets and unqualified auditor's reports for the past three years;
- Evidence of adequacy of working capital and equity for the proposed Partnership (access to line(s) of credit and availability of other financial resources)

**The structure of the concept paper** can be determined by the applicant. It will include the elements indicated above and short elaborations of:

- Proposed approach
- High value commodity
- Target niche market(s)
- Scale of operations
- Proposed location

## Important Notice

Programme objective; is to enhance the livelihoods of small producers, fishers and farmers involved in Fisheries and Agriculture by increasing their incomes and decreasing income variability through a market-driven agricultural and fisheries commercialization and diversification strategy. While the benefits from commercialization and diversification will follow to all those involved in the value chain, the focus on pro-poor outcomes should not be undermined by the parties forming the value chains.

The EOI does not constitute a solicitation. The Government of Maldives reserves the right to change or cancel the requirements at any time during the EOI and/or solicitation process. Thus by submitting a reply to an EOI does not

automatically guarantee that the firm will be considered for receipt of the solicitation when issued.

Any queries and clarification that the potential firms may have, and GoM considers necessary for the EOI, may be directed to the correspondence address given below.

**Additional information**

Queries can be addressed to the Programme Implementation Unit, Ministry of Fisheries and Agriculture. A Programme Summary and a draft Memorandum of Understanding are available on request.

**The EOI's must be submitted in writing to:**

Fisheries Agriculture Diversification Project  
Programme Implementation Unit,  
Ministry of Fisheries and Agriculture  
5<sup>th</sup> Floor Aima Building  
Banafsa Magu  
Male  
Maldives  
Tel: 3305038  
Fax: 3305037  
E-mail: [ifad.piu@fishagri.gov.mv](mailto:ifad.piu@fishagri.gov.mv), [muna.hamid@fishagri.gov.mv](mailto:muna.hamid@fishagri.gov.mv), [paul@fishagri.gov.mv](mailto:paul@fishagri.gov.mv)

**DEADLINE FOR SUBMISSION**

1430hrs, 15th March 2010 (Monday), extended.

Ministry reserve the right to reject all proposals submitted after the said deadline