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| Request for Proposals  Feasibility Assessment of Innovative Financing for Nutrition in Lesotho |

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| **Title:** | 100-day Feasibility Assessment Lesotho Nutrition Development Impact Bond | |
| **Report to:** | National Director, World Vision Lesotho – Pauline Okumu | |
| **Period of Contract:** | **From:** 21st January 2019 | **To:** 1 May 2019 |
| Overview | | |
| The long-term effects of malnutrition can be devastating, limiting not only children’s development, but also their future learning and income-earning potential – perpetuating a cycle of malnutrition and poverty.The Government of Lesotho through the Ministry of Health, in partnership with World Vision Lesotho and UNICEF seeks a suitable organisation to conduct a feasibility study on the suitability of one or more social impact financing mechanisms, namely a Development Impact Bond (DIB) and or other results-based social financing alternatives, to address the underlying causes of malnutrition and stunting in children under five years in Lesotho. The proposed mechanism would be focused on addressing malnutrition in children under five through an integrated set of interventions that aim to improve access and utilisation of:   * Access to and consumption of micronutrient rich food in children under five years, pregnant, and lactating women * Delivery of sanitation facilities and hygiene products in target communities * Monitoring systems to track performance of key nutrition actions   The rational for trialling a new social financing modality is due to a reduction in traditional development finance in Lesotho, to allow non-government and private sector participants to engage, and the need for more flexible and collaborative implementation approaches to under five stunting. (See 4. Policy Context: Nutrition in Lesotho for greater detail). The intermediaries will be World Vision Lesotho (WVL), and UNICEF, with the full support and engagement of the Ministry of Health (MoH), complimented by various public, private, and non-profit sector partners.  The **100-day Feasibility Study** is part of a gated process designed to first evaluate the best social financing mechanism (including evaluation of a Development Impact Bond) that would align with Government priorities to efficiently and sustainably decrease child malnutrition and stunting in the most vulnerable under 5-year target cohorts across Lesotho. The next phase would be the **Design and Stand-up Phase**, to progress to design phase of both the final implementation model and the social finance mechanism or vehicle. Following this would be the development of investment readiness transpiring into transaction readiness along with sourcing Investors and Outcome Payers.  The purpose of this Request for Proposal (RFP) is to solicit proposals from suitably experienced intermediary organisations, to conduct a fair independent feasibility assessment, and deliver the requested analysis, recommendations and modelling within 100-days.  World Vision is a worldwide community development organisation that provides short-term and long-term assistance to 100 million people worldwide each year. WVL is a member of the World Vision partnership and has been operating for 31 years. | | |

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| **Policy Context: Nutrition in Lesotho** | Malnutrition is one of the main factors contributing to high mortality and morbidity rates among children under five in Lesotho. The main causes of malnutrition in Lesotho are poor maternal, infant and young child feeding practices, unsafe water, inadequate sanitation and insufficient hygiene, and underlying factors related to society and poverty, diseases, maternal factors and gender issues.  This multitude of factors creates an environment that prevents children from reaching their full potential. These factors, when occurring during pregnancy or before a child’s second birthday, result in impaired physical and mental development of the child. If the factors are not addressed, they result in permanent insults to mental and physical developmental that have life-long implications including malnutrition, poor education attainment, reduced economic performance as well as higher risk for non-communicable diseases.  According to 2014 Lesotho Demographic and Health Survey (LDHS), this combination of factors resulted in 33% of children under five having stunted growth. The range of stunting is lowest in Mafetang at 26% but goes up to 48% in Mokhotlong. As under nutrition during the first 1000 days results in impaired cognitive development, the country's economy is also ultimately negatively affected.  The Cost of Hunger in Africa for Lesotho estimates a total of US$200 million loss in the year 2014 as a result of under-five stunting, equivalent to 7.13% of GDP in 2014 (COHA 2016).  Additionally, Lesotho continues to be at risk for the effects of climate change. The 2016 Vulnerability Assessment in rural areas of Lesotho highlighted the high rates of undernutrition due to the impact of El Nino, with stunting at 42.9%, underweight at 12.2% and wasting at 2.7%. The World Health Organisation has set cut-off levels for public health significant of nutrition indicators. Stunting rates over 40% indicate the highest level of public health significance.  Lesotho has made progress on improving exclusive breastfeeding rates from 54% in 2009 to 67% in 2014 (LDHS, 2014), under the patronage of Her Majesty the Queen of Lesotho. Despite improvements in exclusive breastfeeding, inadequate infant and young child feeding practices are at the centre of children’s poor nutritional status in terms of frequency and diversity of complementary feeding. In 2014, the Lesotho Demographic Health Survey showed that only 11% of children in Lesotho consumed a minimum acceptable diet (an indicator that includes both frequency and diversity), a decline from 18% in 2009. According to the Vulnerability Assessment (2016) 61% of the rural population have a poor food consumption score attributable to lack of dietary diversity, with meals characterized by high carbohydrate, low protein and low micronutrient intake on top of low meal frequency.  Furthermore, children in Lesotho also suffer from high rates of anaemia at 52% (LDHS 2014) and maternal anaemia is at 26%. The high anaemia could be attributed to poor dietary diversity and presence of parasites from poor WASH conditions. Additionally, poor sanitation and hygiene also contribute to stunting and wasting by increasing the frequency of childhood illnesses due to exposure to pathogens. Further, this exposure to pathogens may cause disruption to the gut microbiome thus accelerating deterioration in nutritional status and reducing immune function. The LDHS data shows that 27% of households in Lesotho do not use any toilet facility but instead practice open defecation.  The high stunting takes place against a backdrop of poor coverage of routine health and nutrition services along the continuum of care especially, immunization, vitamin A, deworming and management of acute malnutrition. To stop stunting we also need to improve maternal health as it is estimated that 20% of stunting happens in the womb possibly due to insults to the pregnant woman’s nutritional status including iodine deficiency, anaemia, poor birth spacing, poor quantity and quality in the diet, and lack of rest.  The Lesotho Nutrition DIB, would be focused on the triple burden of malnutrition driving under five stunting. The Lesotho Government % expenditure to nutrition-specific and nutrition-sensitive interventions was 0.1% placing it as one of the lowest spenders, 37th place out of 41 countries in the Global Nutrition Report 2017. The need and urgency for sustainable and scalable interventions is great.  This project will take a targeted approach to specifically address key levers to influence child nutrition and development at the household, community, and health centre level, with a multi-sectoral approach.  ***At the household level***, the focus could include timed and targeted delivery of critical messages related to household behaviour change to mothers and families about child health throughout pregnancy and during the first 1000 days of an infant’s life (including examination of gender roles and responsibilities, positive fatherhood, key health nutrition and hygiene activities, immunisation, breastfeeding for children under 2 years and prevention and treatment of diarrhoea).  ***At the community level***, the project could include building social cohesion, addressing underlying gender issues using various informal support and care groups to support cultural and social norm changes. Further, engagement with local businesses to maximise the creation of shared value by working with market vendors, trade store operators and buyers from the private sector to help support improved access and affordability of nutrient rich alternatives.  ***At the facility level***, the project would support improving health service through utilising mHealth opportunities to reduce workload and enhance monitoring, data analysis and usage, as well as through provision of essential supplies such as IFA and Vitamin A capsules. In addition, health workers will be supported through various materials and counselling tools to assist them in their work. |
| **Proposal Guidelines** | This Request for Proposal represents the requirements for an open and competitive process. Any proposals received after the due date and time will not be considered. All proposals must be signed by an official representative of the company submitting the proposal.  If the organisation submitting a proposal must outsource or contract any work to meet the requirements contained herein, this must be clearly stated in the proposal. Additionally, all costs included in proposals must be all-inclusive to include any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organizations being contracted. All costs must be itemised to include an explanation of all fees and costs.  Contract terms and conditions will be negotiated upon selection of the winning bidder for this RFP. All contractual terms and conditions will be subject to technical review by WVL and will include scope, budget, schedule, and other necessary items pertaining to the project. |
| **Key Deliverables** | The core deliverable of this contract would be the final Feasibility Analysis Report, which would include the below-mentioned gap analysis, evaluation of the most suitable social financing mechanism (DIB or alternative), guidance for the Design and Stand-up follow-on phases (including recommendations for investment readiness to then transpire into transaction readiness along with sourcing Investors and Outcome Payers).   1. Assess/quantify the **development challenge and unmet demand** and focus area of the intervention 2. Verification of **the identified cohort / beneficiary** and selection 3. Assess/quantify the **feasibility of the selected social financing mechanism** (suitability of a DIB or other Social Financing mechanism) 4. Assess/quantify **administrative feasibility** (regulatory environment, stakeholder capacity, system readiness) 5. Assess/quantify **targeted implementation approach** – at the household, community and health facility level (implementation entities, identified program domains and selected interventions) 6. Identification of **key target outcome measures & indicator selection** and data collection Identification of metrics within the program logic model, and development of implementation and operating model with all relevant stakeholders. 7. Articulation of **Bond & payment structuring mechanism, tenor & terms** 8. Recommendations for **contractual relationships/legal structure** 9. **Resourcing Capacity, Risk allocation, Accountability roles & responsibility of Coalition Partners** 10. **Recommendations** for Design and Stand-up Phases 11. **Presentation of a high-level timeline** |
| **Phases** | 1. **Deliverable 1:** Inventory, Desktop Review of all Documents; Stakeholder Consultation Design and Proposed Field Visit Itinerary (30 days – 20 February 2019) 2. **Deliverable II:** Lesotho Stakeholder Consultations (30 days including 10-14 day visit – Concluding 22th March 2019.) 3. **Deliverable III:** Synthesis of findings, Analysis and Final Feasibility Analysis Report |
| **Key Stakeholders** | * The Government of Lesotho (Ministry of Health) * World Vision Lesotho * UNICEF |
| **Pricing (budget)** | All proposals must include proposed costs to complete the tasks described in the Key Deliverables. Pricing should be listed for each of the following items in accordance with the above mentioned phased delivery. The currency to be used for Financial Proposals is USD. |
| **Proposed Evaluation Criteria** | **(A)** Technical Proposals shall be evaluated first. The passing percentage for technical proposal shall be 70%.  World Vision will evaluate the all technical proposals based on the following criteria:  **Overall Proposal Suitability:** proposed solution must meet the scope and needs included herein and be presented in a clear and organized manner. (45%)  **Technical Expertise:** Proposals will be evaluated on the bidders’s experience as it pertains to the scope of this project. Bidders must provide descriptions and documentation of staff technical expertise and experience (35%)  **Ability to guarantee deliver within 100 days**. (20%)  Only proposals that score 70% and above shall pass technical evaluation.  **(B)** Financial proposals for technical proposals that passes technical evaluation shall be opened and evaluated.  **Value for Money:** Financial proposals will be evaluated on the cost of their solution based on the work to be performed in accordance with the scope of this project  World Vision Lesotho shall be at liberty to negotiate the prices. |
| **Structure of the Proposals** | Bidders should provide the following items as part of their proposal for consideration:  Technical Proposal   * Cover Letter (maximum 1 page) * Outline of approach (maximum 1 page) * Description of Technical Experience (including DIB intermediary experience -maximum 4 pages including CVs limited to 1 page per person) * Anticipated resources you will require (maximum 1 page)   Financial Proposal   * Full Budget with breakout against Deliverables I, II and III (use excel sheet) |
| **Enquiries** | * Any enquiries should be made by sending requests for information on this RFP to: **tender\_wvlesotho@wvi.org** * Any information given to a prospective bidders to clarify any aspect of this RFP will also be given to all other prospective bidders if, in the opinion of World Vision Lesotho, it would be unfair not to do so. |
| **Proposals submission methods and deadlines** | * All bidders should submit their proposals electronically to **tender\_wvlesotho@wvi.org** * Technical and Financial proposals should be submitted as separate documents (separate attachments) and should all be protected from opening by passwords. * Bidders should send passwords for the submitted proposals within 30 minutes after deadline to the same email address. * The language of the proposals should be English only. |
| **Proposal Submission deadlines** | **RFP Submission Deadline is 17.00 hours Lesotho Local Time,**  **19th December 2018**  **Please submit proposals to: tender\_wvlesotho@wvi.org** |