



## **Inclusive Business Accelerator Programme (IBA) Vietnam**

### **Call for Expression of Interest (2018)**

IBA Vietnam invites interested parties to apply for promotion campaign of Vietnamese agricultural products on a cost sharing basis for inclusive businesses in Vietnam.

Funded by



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## 1. Background

The Inclusive Business Accelerator (IBA) is the first programme in Vietnam that supports inclusive business development with integrated solutions connecting businesses with Funders, Development Funds, service providers and other technical and financial support. IBA is the brainchild of SNV Netherlands Development Organisation, BoP Innovation Center, Venture Capital for Africa (VC4A), and Nyenrode Business University, and is co-funded by the Netherlands Ministry of Foreign Affairs (DGIS). The programme supports companies to develop and apply innovative Inclusive Business models that deliver both commercial benefits to themselves, and development benefits for people in low-income groups, in terms of job creation, income improvements and availability of more affordable goods and services.

In 2014, the programme started with two local platforms for inclusive advisory services in Vietnam and Mozambique. Since January 1st, 2017, the IBA became an independent foundation (<https://iba.ventures/what-is-iba/>). IBA Vietnam is one of **Inclusive Business Accelerator Locals** creating local platform of inclusive business advisory services to identify, incubate and accelerate business solutions to development challenges. To date, IBA Vietnam has successfully supported 40 companies with knowledge, expertise and services to initiate and scale up their business activities in low-income markets.

An Inclusive Business is a business initiative that incorporates members from the low-income population (Base of the Pyramid) into the company's core processes, generating a win-win relationship. Members from the low-income population typically fill one or more of several roles:

- Producers: new sources of input supply
- Employees: new qualified and competitive labour force
- Entrepreneurs: new distribution networks
- Consumers: new markets for affordable goods and services

The Base of the Pyramid (BoP) refers to people with a purchasing power of USD 8 a day or less. Because they are largely excluded from formal markets, there is a strong demand for innovative products, services and technologies that provide access to basic needs.

For more information, please visit: <https://iba.ventures/>

## 2. Sales Promotion Campaign of Local and Traditional Agricultural Products

Traditional retail channel plays an important role in the Vietnamese distribution system which accounts more than 85% retail sales of grocery products in Vietnam. Nevertheless, Vietnam has been seeing the strong rise of the modern distribution (MT) channel with the active participation of domestic and international players in recent years. The development of MT channel has contributed to the improvement of linkages between producers, retailers and consumers which results in more grocery products with better quality that meet more sophisticated demand of consumers. However, due to the lack of necessary resources as well as marketing and sales capacity, there are many smaller producers/traders who are producing and/or sourcing good products couldn't enter MT channel yet.

Capturing this gap, IBA Vietnam aims to assist smaller producers/ traders, who are pursuing inclusive business models, in realizing and materializing its business opportunity, improving their linkage to market and consumers by connecting them with modern retailers in Hanoi and HCMC and providing necessary technical sales and marketing support during their first stage entering MT channel. Besides that, to increase value-added and improve resilience in the production, supplying and processing of local agricultural commodities with a focus on smaller producers and inclusive agro-entrepreneurs in Vietnam, an important component of IBA Vietnam is set to facilitate inclusive business opportunity brokering to help expand the number of inclusive agricultural businesses and improve their competitiveness in the local market. IBA

Vietnam plans to collaborate with agribusiness partners, key modern retailer and other relevant stakeholders to actively promote responsible agricultural inclusive business and products for the express purpose of supporting smaller producers/ traders entering MT channel, adding more value to products, improving higher-income opportunity and generating core business benefits for those market players while supporting and improving the lives of low income people. To raise consumer awareness of domestic products, simultaneously encouraging trial and adoption and increasing demand of those products of inclusive agribusinesses, IBA Vietnam will pilot a 3A (Attraction, Attention, Adoption) approach – via a Sales Promotion Campaign at key MT channel in Hanoi and Ho Chi Minh city for locally produced, good quality fresh produces and agri-products.

The Sales Promotion Campaign is an expanded effort of IBA Vietnam to support Vietnamese inclusive agribusinesses, which are now competing in the domestic market, settled in high competition with imported products from Thailand, China and other countries. It is a co-financing initiative that funds **Business Development (BD)** and **Point of Sales (POS) promotion**, a bridge between producers/traders (inclusive business partners) and modern retailers. IBA will catalyst the linkage facilitating the active participation of relevant partners, compensate the missing resources and capacity which are required in the business deal between producers and MT players. The campaign is underpinned by a transparent process implemented by our experienced advisors under a strictly commercial and market driven approach with a clear focus on strengthening market access for targeted producers/traders.

The campaign will focus on a multitude of good quality products with stable and sustainable supply chains. IBA gives priority to commodities that either primarily serve low income; or to those that involve low-income people in Vietnam in the supply chain, either as suppliers, and/or consumers, employees, distributors.

Through this EOI, the IBA is looking to select at least five (5) inclusive agribusinesses for co-financing with the following activities:

### **Business Development**

IBA will bear all costs relating to the business development costs conducted by IBA staff, which includes technical assistance for preparatory work and facilitation for B2B interactions between IBA selected partners with modern trade actors and subsequent support for follow-up upon conclusion of the same until the supplying contract has been signed between modern retailers and IBA selected partners. IBA selected partners are warmly welcome to join BD activities with IBA advisors at its costs and expenses during the BD phases (including joining the approach meetings with potential MT partners)

### **Promotion Campaign**

The IBA will bear costs and expenses as following:

- Promotion concept development
- Recruitment and training for promotion team
- Designing and printing costs of all POS marketing materials of the campaign (not customized per product)
- Sampling products storing and handling costs
- Marketing expenses at point of sales (including promotion/sampling materials, PG cost and venue fee)

The selected partners will be responsible for contributing:

- VND 10 million as initial investment for the Sales Promotion Campaign at selected POS based on successfully contracted retail accounts in Hanoi and Ho Chi Minh City markets;
- 10% of sales revenues at the point of sales during the promotion period for the operation of the promotion activities as Sales & Marketing expense
- All sample and sampling products for BD activities and promotion campaign
- Expenses for special display area if required by the partners

- Any other special services needed

IBA will not finance the costs and expenses related to business operation between IBA selected partners and MT partners, such as contract signing, product packaging, transportation and delivery cost to the stores/POS and any other logistic cost.

### Products:

Fresh produces (fresh vegetables, fruit...), pre-processed and frozen products such as dried fruit/vegetables, juices, nuts, tea, packed/frozen meat, seeds. Product priorities are given to local specialities, products that have label/brand and are not available at MT channel yet.

### 3. Timelines

	Stages	When
1	Publication of the call	January 30 <sup>th</sup> , 2018
2	Guidance and explanation	Till February 28 <sup>th</sup> , 2018
3	Deadline for submitting Expression of Interest*	February 28 <sup>th</sup> , 2018
4	Selection	Rolling basis but no later than March 15 <sup>th</sup> , 2018
5	Due diligence (if needed)	
6	Business development	
7	Contracting with MT channels**	
8	Announcement to applicants (indicative)	March 15 <sup>th</sup> , 2018
9	Sales Promotion Campaign (indicative)	March - June 2018
10	Closing	Jun 30 <sup>th</sup> , 2018

**\* Applications will be evaluated on a rolling basis until the final application deadline or until the 2018 campaign budget has been reached.**

**\*\* IBA selected partners shall be fully responsible for the negotiation and signing of contract with their respective retail accounts.**

### 4. Who can apply

The following entities are eligible to apply:

- Agribusinesses involving low-income people in Vietnam in the supply chain, either as suppliers, and/or consumers, employees, distributors;
- Applicants must have one of the following legal statuses:
  - Agribusiness;
  - Agricultural cooperative;
  - Producer network;
  - Producer association;
  - Non-profit organization;
  - Non-profit social enterprise;
  - Regional farmers market authority; and
  - Individual households
- Applicants must have maintained operations in Vietnam for at least 1 year (from the date of registration) with profitable potential in Agriculture and Aquaculture sectors;
- Applicants must be willing to work with the program on a cost sharing basis as stipulated;
- Applicants must commit to actively collaborating with the IBA Vietnam during the implementation and post-implementation of the campaign regarding any

sales/orders that result as a consequence of IBA assistance and promotion activities with MT channels;

- f) Applicants should meet Vietnamese Food Safety and Food Sanitation Standards (ATVSTP and TCCLVN), be ISO/HACCP/VietGAP/GlobalGAP, etc. certified; and
- g) Preferential will be given to Organic certified and regional specialty products.

## 5. How to apply

Interested parties that meet the eligibility criteria are requested to fill in the template in Annex 1. Expression of Interest must be submitted by 17:00 on February 28<sup>th</sup>, 2017 by email to the IBA Vietnam at [ibaccelerator@snvworld.org](mailto:ibaccelerator@snvworld.org) or by post to:

**IBA Vietnam**  
**SNV Netherlands Development Organisation**  
**3rd Floor, Building D, La Thanh Hotel,**  
**218 Doi Can Street, Ba Dinh, Ha Noi, Viet Nam**  
**Tel: 84-4 38463791 Fax: 84-4 38463794**

## 6. Terms of cooperation

The IBA is under no obligation to accept a partner's offer. The submission of an expression of interest in response to this call neither implies nor prejudices, in any way, the manner of the form of the final decision on partner selection in keeping with the strategic goals and available budget of IBA for these types of activities.

The selection of partners for the implementation of the Sales Promotion Campaign will be assessed on a case-by-case basis, and as a whole by the IBA Vietnam management team. Decisions on the selection of partners will be made under a fully recorded, transparent and accountable process.

Any questions concerning transparency of the decision-making process can be addressed to:

Ms. Alison Rusinow  
Country Director, SNV Vietnam  
[arusinow@snv.org](mailto:arusinow@snv.org)

***For more information about our program, please visit [www.ibavietnam.com](http://www.ibavietnam.com)***