

Call for Tender
on
Economic Studies
relating to
The Financing of Animal Epizootics and Zoonoses Losses
in Developing and in Transition Countries

1. Background

The World Organization for Animal Health (OIE) is preparing, with support from the World Bank and other partners, a feasibility study to enhance the global system of veterinary sanitary governance, with the objective of preventing or controlling the emergence and re-emergence of animal diseases to ensure a safe and reliable supply of animals and animal products, thus improving the livelihood of producers, protecting consumers and improving public health. The emphasis will be on strengthening the National Veterinary Services¹ in developing and in transition countries.

The purpose of this component is to evaluate and develop financial arrangements based on a public-private partnership between the international donors, the multilateral agencies, the national governments and the private sector. The financial model would rely on three complementary funding mechanisms:

- a) ***World Animal Health and Welfare Fund***. This fund, managed by the OIE and which has already been established, would provide capacity building, including technical assistance and training, to countries for the strengthening of their national veterinary services and for the adoption of a policy and of an institutional framework for addressing prevention and control of animal diseases, including zoonoses, and for complying with OIE international standards.
- b) ***Global Emergency Response Fund for Animal Epizootics and Zoonoses***. A Global Emergency Response Fund for Animal Epizootics and Zoonoses (GERFAE) would provide countries with immediate funding to cover livestock owners' compensation costs (as early detection and reporting depend critically on available incentives for farmers to report very quickly any suspicious case of animal disease), as well as other direct costs (e.g., culling costs, containment costs, disinfection, ring vaccination). This fund could operate as a grant to countries and would be mainly funded by donors.

Deliverable 1 and **Deliverable 2** are linked to the above funding mechanisms (*see further details below*).

- c) ***Animal Epizootics Insurance Program***. This program would complement the GERFAE and would support the development of private insurance products for those insurable losses not covered under the GERFAE. For example, they may cover indirect losses faced by medium and large companies or cooperatives concerned with livestock production, processing, wholesaling and distribution (e.g., business interruption).

Deliverable 3 is linked to the above funding mechanism (*see further details below*).

¹ Veterinary Services means the Veterinary Administration, all the Veterinary Authorities, and all persons authorised, registered or licensed by the Veterinary statutory body.

2. Objective of the call for tender

The purpose of this call for tender is to select one candidate body (team of experts or consultancy consortium) to carry out three different activities:

✓ **Deliverable 1. Economic impact of diseases and Cost-Benefit Analysis of Improved Disease Prevention and Rapid Control**

Objective: *To clarify the relative direct and indirect impacts and the economic cost of different types of animal diseases and assess the costs and benefits of global and national animal disease prevention and control, through appropriate governance allowing early detection and notification and rapid response within all parts of the country. The cost of the appropriate governance (in compliance with OIE international standards) will be compared with the potential cost of sanitary crisis resulting from diseases such as BSE, FMD and avian influenza.*

✓ **Deliverable 2. Feasibility Study on the setting up of a Global Emergency Response Fund for Animal Epizootics and Zoonoses in developing and in countries in transition**

Objective: *A Global Emergency Response Fund for Animal Epizootics and Zoonoses (GERFAE) would provide countries with immediate funding to cover livestock owners' compensation costs, as early detection and reporting depend critically on available incentives for farmers to report very quickly any suspicious case of animal disease, as well as other direct costs (e.g., culling costs, containment costs, disinfection, ring vaccination). This fund could operate as a grant to countries and would be mainly funded by donors.*

The study will explore an overall framework for the financing of economic losses in developing and in transition countries due to emerging and re-emerging animal diseases. This framework will classify the direct and indirect costs due to needed sanitary measures to be taken to control the diseases. It will identify the costs which are or should be eligible for public financial and/or in kind compensation to affected private operators (mainly livestock owners and/or their organizations). The study will also specify the role of donors, multilateral agencies, national governments and the private sector in the financing of the cost of controlling animal epizootics.

The framework to be designed will have to be based on a strong public-private partnership (here, the private sector includes livestock owners, their organizations, private veterinarians, traders, exporters, processing/transformation industry, major retailers and catering industry), including the proposed Global Emergency Response Fund for Animal Epizootics and Zoonoses (GERFAE).

✓ **Deliverable 3. Pre-Feasibility Study on Market-Based Insurance Products for Emerging and Re-emerging Animal Disease Losses not Covered by Public Compensation**

Objective: *To identify desirable insurance protection and pre-conditions for the feasibility and development of market-based insurance products to address emerging and re-emerging animal disease losses which would likely not be covered by public compensation (as described under Deliverable 2). The study would also set out the relation with the veterinary services' quality evaluation scheme to be developed within the support of the World Animal Health and Welfare Fund. The cost of the*

insurance could be closely linked to the result of an evaluation of the quality of the veterinary services.

The Terms of Reference (ToR) of the three above Deliverables are presented in further details in the attached *Annex*.

This *Annex* and its content are a full part of this call for tender.

It is recognised that several specific fields of expertise are required to carry out these studies in a professional manner. **Therefore, the OIE expects to receive offers from consultancy consortia** (group of different consultants covering all necessary fields of expertise and experience) **or from multidisciplinary teams of experts.**

All offers shall cover the three Deliverables “1, 2 and 3” and only one single contract will be signed. Another reason to favour this scenario is that the outputs of some Deliverables need to be taken into account and are necessary for the finalisation of some others Deliverables.

It is also expected that for this scenario some economies of scale would be achieved, i.e. the total price of the three Deliverables should be lower and/or the total management fees/overheads should be lower than in a situation were the three Deliverables would be managed separately.

3. Duration and time constraints

One **intermediary report** for each Deliverable will be requested by Monday, **15th January 2007**.

The **final reports, dissemination material and databases** shall be made available to the Director General of OIE on Friday, **02nd March 2007** at the very latest.

The time limit of the final reports, dissemination material and databases is not negotiable as follow-up activities will be cascading. As far as the final reports, dissemination material and databases are concerned, a significant penalty (% of the agreed price for each Deliverable) will be applied by OIE after each week of delay (counted from Monday, 05th March 2007).

4. Reports, Dissemination material and Databases

The OIE expects regular contacts and exchanges of information during the execution of the activities, at least on a monthly basis.

A technical meeting (half a day; briefing and exchange of views) will take place in Paris at the OIE Headquarters on **20th October 2006** with OIE staff and a representative from the World Bank.

One **intermediary report** for each Deliverable will be requested by **15 January 2007**.

The final reports, dissemination material and databases expected are further described under the relevant paragraphs “Expected outputs” for each Deliverable (see *Annex*).

The draft final reports, dissemination material and databases should be made available upon request from the OIE during the second week of February 2007.

The **final reports, dissemination material and databases** shall be made available to the Director General of OIE on **02 March 2007** at the very latest.

5. Properties of Reports, Dissemination material and Databases

All the reports, dissemination material and databases made during the execution of the activities in order to obtain the concerned Deliverables and all the Deliverables are the worldwide properties of the World Bank and of the OIE. In any country, all the reports, dissemination material and databases or extracts cannot be copied, reproduced, translated, adapted or published in journals, documents, books, electronic media and any other medium destined for the public or presented for information, educational or commercial purposes, without written permission done by the OIE after consultation of the World Bank.

These obligations must be applied by the contractor and the possible co-contractors or sub-contractors

6. Confidentiality of documents

All the documents which can be given by the OIE and by the World Bank for the production of the Deliverables must not be shared with persons or organisations which are not directly concerned by the production of the Deliverables. All confidential documents must be kept confidential.

These obligations must be applied by the contractor and the possible co-contractors or sub-contractors Administrative and financial conditions

7. Administrative and financial conditions

General conditions

The working languages are English and French. Final reports and dissemination material must be provided in both languages. For the French version, it will be sufficient to provide a shortened version of the report. The reports are required in both hard and soft copy and are to be prepared using standard PC-compatible software.

The offer will describe the general conditions under which the reports will be made available to the OIE, in particular the time required for the different activities.

The offer shall contain a detailed timetable and a flowchart of activities to be carried out.

The activities shall begin as early as possible, in any case before 15th October 2006.

The date of delivery of the intermediary reports may be negotiated.

The date of delivery of the final outputs of each Deliverable in the main reporting language cannot be negotiated.

The offer must include a signed commitment ensuring that the experts proposed and agreed by the OIE cannot be changed before the studies (between the offer and the beginning of the project) or during the studies.

Budget

The maximum total budget foreseen by the OIE for each Deliverable is as follows:

Deliverable 1	USD 125,000.00
Deliverable 2	USD 150,000.00
Deliverable 3	USD 75,000.00

That is, all together (all costs included) a total amount of **USD 350,000.00**

The OIE would expect to receive offers well below these maximum levels for each Deliverable and for the global offer. The money saved would be used for other activities foreseen by the 4th Strategic Plan (2006-2010) of the OIE and its letter of financial agreement with the World Bank, including complementary studies on the same issues.

The final price of the offer(s), within the maximum limits defined above, can be negotiated by the OIE during the Call for tender and the final price agreed will be definitive (non modifiable after the signature of the contract).

In any case, offers above this total maximum limit will not be examined.

Payment conditions

30% of the total price for each Deliverable will be paid upon order.

30% of the total price for each Deliverable can be paid, after 15 January 2007, upon receipt of a validated intermediary report for each Deliverable.

The full complementary payment will be made only after validation and confirmation by the OIE of the successful receipt of all expected outputs of each Deliverable.

As far as the final reports, dissemination material and databases are concerned, the penalty mentioned in the contract (% of the agreed price for each Deliverable) will be applied by OIE after each week of delay (counted from 05 March 2007).

The payment will be made after reception of an invoice and if penalties will be applied, they are deducted on the invoice.

8. Content of the offers

Each interested candidate body shall deposit at, or send its offer to, the OIE headquarters in (a) sealed envelop(s) labelled as follows:

*Monsieur le Directeur Général
Organisation mondiale de la santé animale (OIE)
12, Rue de Prony
75017 Paris
FRANCE*

with a clear additional indication on the sealed envelop(s) referring to:

”Appel d’offres 2006 - Études économiques”.

The sealed envelop(s) should be deposited at, or sent to, the OIE headquarters in another envelop

(double envelops; i.e. offer in a sealed envelop contained in the mail envelop).

For the offer to be valid, the envelop(s) should arrive, be deposited and registered against receipt at the latest on Friday, 22nd September 2006 at 12:00 o'clock (French time) at the OIE headquarters in Paris.

Human resources

The offer(s) will detail the team who will work on each Deliverable with the CV of each person of the team and a personal engagement of each person indicated that they agreed to work on this project during the concerned period.

The persons indicated in the offer(s) must be the persons who will actually be working on this project. The offer must include a signed commitment ensuring that the experts proposed cannot be changed before the studies (between the offer and the beginning of the project) or during the studies.

During the execution of the contract, if a person is replaced without the agreement of the OIE or if the OIE notes that another person than theses declared during the offer(s) works on the project, the OIE has the possibility to stop the execution of the contract and only the validated work will be paid.

Prices and costs

The offer(s) will specify:

- The price of each Deliverable;
- The management fees (if appropriate);
- The total price;
- The payment conditions proposed.

9. Selection criteria

The designation of the selected offer(s) will be made following examination by a designated commission² of all offers officially received in due time at OIE headquarters on the basis of:

- The prices (in particular: Total price; price per Deliverable);
- The nature and quality (compliance with the ToR) of the proposals offered, given the time constraints;
- The human resources used, notably as far as expertise and experience on Veterinary Services is concerned;
- The method(s) of work proposed;
- The excellence, a well established international reputation and experience demonstrated on similar economic studies or on similar economic simulations.

Having in mind the complexity of the issues concerned and recognising that several specific

² In addition to OIE staff nominated by the Director General, at least one representative from the World Bank will be consulted by this commission.

expertises are required, offers from consultancy consortia will be favoured.

The OIE will then inform the winning offer(s) and all parties concerned will decide bilaterally on a date to negotiate and finalize the contract between the parties on the basis of the selected offer.

The 167 OIE Member Countries will be informed.

Attachment: 1 Annex (11 pages) - *Terms of Reference - The Financing of Animal Epizootics and Zoonoses Losses in Developing and in Transition Countries.*