**Highlands Resilience Activity (HRA)**

**Request for Application: To enhance access to finance for PSNP clients**

**Project Description:** Highlands Resilience Activity (HRA) is a five-year USAID-funded Feed the Future initiative that aims to facilitate inclusive, diverse, and connected markets that enable 120,000 PSNP households in 36 woredas of six target regions to sustainably reach the graduation threshold. HRA’s strategy focuses on system strengthening, which is crucial for productive safety net program (PSNP) households, and ensuring that they have sustained income, all-year-round nutritious food, and risk-diversified livelihood paths.

**Objective of the Request for Application:**

The purpose of this request for application is to solicit Request for Applications (RFA) from prospective Financial Service Providers (FSP’s) to include MFIs, Banks, SACCO/RuSACCO union, Mobile network Operators & Fintech company) that are eager to innovate and expand access to financial services for PSNP clients that contribute towards achievement of HRA result areas. **The request for application is to ensure all interested financial institutions have a fair opportunity to compete and qualify for funding.**

The Request for Application should among others focus on business models or approaches that strengthen; **1**, Enhance the liquidity of financial service providers for targeted lending to PSNP households & MSMEs, **2.** Facilitate access to credit for PSNP clients and market actors through performance-based incentive payment for financial service providers, **3.**Enhance financial literacy, digital literacy, marketing, and consumer protection to promote uptake of financial services by PSNP households and market, **4.** Expand financial service access points through agent expansion in collaboration with financial service providers to reach PSNP households and rural communities, **5.** Support rehabilitation and capacity building of Banks/MFIs/RuSaCCos to help conflict affected PSNP communities, **6.** Support the design and implementation of tailored financial solutions, including credit and savings options for PSNP Households and MSMEs in collaboration with FSPs.

Applicants are encouraged to propose innovative yet sustainable, gender-sensitive, and inclusive approaches to addressing the issues stated above and producing results to meet the Activity’s objectives. Applications that achieve more than one of the objectives above are encouraged.

**Eligibility criteria:**

Mercy Corps is interested in partnering with Financial Service Providers who fulfill the following **ELIGIBILITY** criteria and are willing to implement innovative financial services/products that meet the needs of PSNP clients. To be considered for this funding, applicant(s) must meet the following minimum eligibility requirements,

1. Legal Registration: Applicants must be legally registered with valid and recent business licenses from the National Bank of Ethiopia, Cooperative agency and other relevant authorities.
2. Matching Guarantee: A desirable contribution of up to 50% (one-to-one) investment match of the total investment budget
3. Geographic Presence: Applicants must demonstrate presence in the specified HRA target regions and woredas.
4. Proposal Submission: A brief proposal is required, including:
   * Experience of lending for PSNP household and Micro-enterprise.
   * Geographical coverage, including the number and location of branches involved in credit disbursement and previous experience working with PSNP clients.
   * Financial projections for planned disbursements and contributions.
   * Monitoring structure for effective coordination and reporting.
5. Documents to be submitted:
   * Audited financial statements for the fiscal year ending June 2023 and June 2024.
   * Senior management profile and proposed program focal person
   * Risk management policies as per NBE/SACCO guidelines/proclamation

**Note: *Prior experience with USAID, other US Government entities or Mercy Corps is not required for eligibility. Mercy Corps encourages applications from all potential new partners.***

**Expressions of interest and applications**

**Expressions of Interest:** applicants are required to submit an Expression of Interest (EOI) summarizing the proposed business model activities, overall goal and objectives, illustrative activities, and expected results. The EOI should clearly and concisely explain the proposed business model/approach purpose, relevance, activities and expected results in support of the objectives of the HRA as set forth above. All EOIs must be submitted in the Expression of Interest Format included below. The deadline for the expression of interest will be open until **January 10,2025 closing time 5:00PM**

**Information session**: Information session will be conducted on December 25, 2024, please send an email to: [hrainnovations@mercycorps.org](mailto:hrainnovations@mercycorps.org) if you are interested to learn more and have questions.

Mercy Corps shall evaluate EOIs submitted in response to this RFA after the submission of deadline. The EOIs will be evaluated based on defined criteria.

**Full Applications:** Upon evaluation of EOIs, Mercy Corps will invite the successful applicants for a co-creation and provide feedback for consideration in the submission of a full application.

More information on the RFA and submission process can be found at:

[Expression of Interest Notice REF# HRA/RFA/01/2024/25 Qualified Suppliers and Prospective Financial Service Providers - Ethiopia. | Mercy Corps](https://www.mercycorps.org/tenders/expression-interest-notice-ref-hrarfa01202425-qualified-suppliers-and-prospective-financial)

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