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**Highlands Resilience Activity**

**Request for Application (RFA)**

Disclaimer

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1. **OVERVIEW:**

Highlands Resilience Activity (HRA) is a 5-year (2023-2028) USAID funded Feed the future program that aims to facilitate inclusive, diverse, and connected markets that enable 120,000 Productive Safety Net Program (PSNP) households in the 6 target regions (Tigray, Amhara, Oromia, Sidama, Central and South Ethiopia) and 36 woredas to sustainably reach the graduation threshold. HRA’s strategy focuses on system strengthening, which is crucial for PSNP households, and ensuring that they have sustained income, all-year-round nutritious food, and risk-diversified livelihood paths. The HRA consortium under the leadership of Mercy Corps include Sidama Development Association (SDA); Action for Development); Hundee-Oromo –Grassroots Development Initiative; Mahibere Hiwot for Social Development (MSD); Mums for Mums; Village enterprise and First Consult brings together expertise to work through pro-poor, inclusive, nutritious and shock responsive resilient markets. The program has seven intermediate result areas with integrated activities across the targeted geographic areas. Below are the HRA intermediate result areas.

1. Increased productivity and competitiveness of targeted PSNP on-farm Enterprises
2. Increased productivity and competitiveness of Targeted PSNP off-farm enterprises
3. Increased employment and wages labor among Targeted PSNP clients
4. Improved Diets, particularly among women and young children
5. Improved Market Systems and Commercialization
6. Increased private investment and Finance in Highland communities
7. Client Responsive Public and private social services improved and expanded
8. **OBJECTIVE OF THE REQUEST OF APPLICATION:**

**Objective 1: Support rehabilitation and capacity building of MFIs to help conflict affected PSNP communities in Tigray and Amhara regions.**

The financial system in Tigray and Amhara regions have been affected during the conflict in the Northern parts of Ethiopia. The functions MFIs/banks are disrupted by the recent conflicts in Tigray and Amhara. These disruptions have hindered the provision of essential financial services that enhance productivity for both on-farm and off-farm activities, which are vital for PSNP populations. The existing financial service system is not adequately addressing the problems mainly due to weak institutional capacities in delivering cost-effective and tailored financial products and services. Low level of skilled manpower, liquidity problem of FSPs, inefficient processes, inadequate experiences and the FSPs premises are damaged due to the conflict. This hinders the delivery of innovative and impactful financial services.

On the PSNP household side, the main challenge is the very low level of awareness and trust, which was worsened by the impact of conflict as the communities lost their saving and were not able to access it from financial institutions. Besides, PSNP households are not able to repay outstanding loans and there remains a widespread lack of understanding and trust in financial services and products.

HRA aims to collaborate with potential MFIs or banks in these regions to rehabilitate and revitalize these financial services, ultimately benefiting PSNP households in these communities. The ultimate objective is to support PSNP borrowers who are affected by the conflict and whose loans fall under nonperforming loans (NPL). The intervention aims to restructure the NPLs and provide fresh loans so that PSNP households/market actors re-start their business operation.

HRA seeks partnerships that will lead to specific behavior change model through adaptation and adaptation of business models that lead to trust of community on financial service will be re-established, loan repayments enhanced, community re-start saving, PSNP clients/HHs access fresh loans. At at the FSP level, we expect that MFI/Banks institutional capacities will be enhanced in terms of conventional saving and credit services provision and outreach and scalabilities to reach out to PSNP clients. All these changes will lead to more usage and uptake of financial services (both saving and loans) which will bring the ultimate outcome building a resilient community and particularly women capable of improving and diversifying their income (by starting on and off farm businesses) and withstanding shocks.

HRA is seeking applications from MFIs/Banks who are interested in revitalizing their services into the following specific geographical areas for Objective 1:

* Tigray Region - Southern zone: Enda Mekoni and Alaje woredas; Southeastern zone: Seharti, Samre, Enderta, Hintalo and Wajerat woredas.
* Amhara Region - North Wollo zone: Bugna, Gubalafto, Habru, Raya Kobo, and Lasta weredas; South Gonder zone: Estie, Sede Muja and Guna woredas.

Partnership agreements will be negotiated with selected Finance Institutions based on the criteria described below. Finance institutions will also be expected to provide co-investment (in-cash or in-kind) to support their proposed business model and activities. Applicants are expected to contribute a minimum of 50% financial investment (in kind or cash) in their proposed initiative. The maximum amount of available budget (for objective 1) from Mercy Corps side is ETB 30,257,950. Mercy Corps reserves the right to award to one or more applicants. Applicants are also eligible to apply for more than one the objectives stated in this document if its. business deems fit

The total available funding of ETB 30,257,950.00 for Objective 1 will be distributed across multiple awards, by considering HRA intervention woredas in Amhara and Tigray regions. Mercy Corps reserves the right to select two or more applicants for this objective and to allocate the funding accordingly among the applicants.

**Examples of activities that could be supported under Objective 1**

Proposed activities should be based on a sustainable business model. The applicant is responsible for organizing and managing activities with technical and/or financial support from HRA. Examples of activities that could be supported include, but are not limited to, the following:

1. Create awareness and advise PSNP households on the objective of loan restructuring.
2. Restructure loans (reschedule, modify interest rate or write off) of selected PSNP default borrowers. Mercy Corps is interested in innovative ways of revitalizing services to Non performing loan holders.
3. Refinance (provide fresh loans) PSNP households using the funds obtained from the loan recovery intervention.
4. Participate in customer financial education programs.
5. Fulfil documentations required for loan restructuring.
6. Follow up on loan repayments

This list is non-exhaustive. It is simply to provide examples of company initiatives that could be supported by the HRA program. Any additional ideas or a combination of these activities is encouraged, and all ideas will be considered for HRA support.

**Objective 2: Expand financial service access points through agent expansion in collaboration with FSPs to reach PSNP households and rural communities.**

Due to absence of formal financial institutions nearby, rural communities including PSNP households travel long distances to receive or transfer money, incurring additional costs. Furthermore, they tend to spend all the money they receive immediately because they lack access to saving service. This situation contributes to a culture of minimal savings, which hinders their ability to engage in various businesses and withstand economic shocks.

The objective is to expand financial service access points through agents in collaboration with Banks and Mobile Money Operators to reach PSNP households and rural communities. The financial institutions selected are expected to expand financial service access points near rural PSNP communities via agent banking models to last mile. Additionally, they will work to raise awareness in the community about basic financial services, leading to improvements in the lives of rural households and market actors by enhancing savings culture and reducing transaction processing costs with a focus on women and youth.

HRA seeks partnerships that will lead to specific behavior change through adaptation and adoption of business models that lead to individual PSNP clients/participants gaining financial literacy and increased access to financial services, mainly mobile money accounts, helping them cash in cash out, saving and digital credit to enhance their livelihoods. At the FSP level, expect that this model will create opportunities for remote PSNP clients/participants to be integrated into formal financial systems, establishing sustainable connections with financial institutions and market actors. These improvements will contribute to resilient financial systems and create opportunities for economic growth and inclusion.

HRA is seeking applications from financial service providers and Mobile network operators who are interested in improving or expanding their services into the following geographical areas for Objective 2:

* Tigray Region - Enda Mekoni, Enderta, Seharti, and Hintalo woredas.
* Amhara Region - Gubalafto, Habru, Raya Kobo, and Guna woredas.
* Oromia Region - Deder, Fedis, Gorogutu, Tullo, and Gemechis woredas
* Sidama Region - Aletachuko, and Dalle woredas
* Central Ethiopia - Shahsego and Soro weredas
* South Ethiopia - Boloso Sore and Wenago woredas.

Partnership agreements will be negotiated with selected companies based on the criteria described below. Companies will also be expected to provide co-investment (in-cash or in-kind) to support their proposed activities. Applicants are expected to contribute a minimum of 50% financial investment (in kind or cash) in their proposed initiative. The maximum amount of available budget (for objective 2) from Mercy Corps side is ETB 7,568,995. Mercy Corps reserves the right to award to one or more applicants. Applicants are also eligible to apply for more than one the objectives stated in this document if its. business deems fit

**Examples of activities that could be supported under Objective 2**

Proposed activities should be based on a sustainable business model. The applicant is responsible for organizing and managing activities with technical and/or financial support from HRA. Examples of activities that could be supported include, but are not limited to, the following:

1. Revise/prepare agent banking training manual.
2. Develop gender sensitive agent network management roadmap/strategy
3. Recruit, train and onboard agents in the above-mentioned 19 woredas.
4. Set up agent branches in target locations or to serve the target communities.
5. Conduct financial awareness and marketing campaigns on agent banking through in-person community meetings, radio and marketplaces.
6. Onboard mobile money users.

This list is non-exhaustive. It is simply to provide examples of potential company initiatives that could be supported by the HRA program. Any additional ideas or a combination of these activities is encouraged, and all ideas will be considered for HRA support.

**Objective 3: Enhance financial awareness, literacy, digital literacy, marketing, and consumer protection to promote uptake of financial services by PSNP households and market actors.**

PSNP households have limited knowledge and awareness of basic financial services hindering them from accessing financial resources and opportunities for economic empowerment. Moreover, a lack of trust in formal financial service providers has significantly contributed to their financial exclusion. The digital financial literacy level of PSNP households is even very low, which is one of the constraints hindering the expansion and adoption of digital financial services.

This RFA under this objective 3 aims to support PSNP households by improving financial awareness and literacy. The initiative also seeks to enhance digital financial literacy and marketing efforts to encourage the uptake of financial services. Expected outcomes include better financial decision-making, greater access to savings, credit, and increased empowerment through digital skills to engage with financial service providers.

HRA seeks partnerships that will lead to specific behavior change model through adaptation and adaptation of business models that lead to strengthening the financial ecosystem through improved service delivery, increased financial literacy, digital inclusion, and enhanced consumer protection, enabling PSNP households and market actors to access financial service and economic opportunities. At the community level, the changes focus on improving financial literacy, digital skills, and consumer protection among PSNP households and market actors, enabling better access to financial services, economic empowerment, and enhanced livelihoods.

HRA is seeking applications from MFI, Banks and MNOs who are interested in improving or expanding their services into the following geographical areas for objective 3:

* Tigray Region - Southern zone (Enda Mekoni and Alaje Woredas); Southeastern zone (Seharti, Samre, Enderta, Hintalo & Wajerat woredas).
* Amhara Region - North Wollo zone (Bugna, Gubalafto, Habru, Raya Kobo, Lasta Woredas); South Gonder zones (Estie, Sede Muja, & Guna Begemidir Woredas).
* Oromia Region - East Hararghe zone (Deder, Fedis, Gorogutu, Jarso & Kombolcha Woredas); West Hararghe zone (Tullo, Chiro, Oda Bultum, Gemechis and Mesela Woredas).
* Sidama Region - Aletachuko, Darre and Dalle Woredas.
* South Ethiopia Region- Gedeo zone (Yirga Cheffe and Wenago Woredas); Wolaita Zone (Boloso Bombe, Boloso Sore and Kindo Koyisha Woredas).
* Central Ethiopia Region- Hadiya zone (Meirab Badewacho, Shahsego and Soro Woredas)

Partnership agreements will be negotiated with selected companies based on the criteria described below. Companies will also be expected to provide co-investment (in-cash or in-kind) to support their proposed activities. Applicants are expected to contribute a minimum of 50% financial investment (in kind or cash) in their proposed initiative. The maximum amount of available budget (for objective 3) from Mercy Corps side is ETB 16,924,937. Mercy Corps reserves the right to award to one or more applicants. Applicants are also eligible to apply for more than one the objectives stated in this document if its business deems fit.

**Examples of activities that could be supported**

Proposed activities should be based on a sustainable business model. The applicant is responsible for organizing and managing activities with technical and/or financial support from HRA. Examples of activities that could be supported include, but are not limited to, the following:

1. Develop tailored financial education programs.
2. Introducing digital financial literacy initiatives.
3. Customize financial literacy/marketing strategies/manuals for PSNP households.
4. Conduct financial literacy campaigns through tailored channels accessible to PSNPs including in-person, radio & marketplace campaigns.
5. Enrollment of PSNP customers to potential financial products and services offered by the financial institution.
6. Conduct workshops on financial awareness, financial literacy and digital financial literacy.

This list is non-exhaustive. It is simply to provide examples of company initiatives that could be supported by the HRA program. Any additional ideas or a combination of these activities is encouraged, and all ideas will be considered for HRA support.

**Objective 4: Facilitate access to credit for PSNP clients and market actors through performance-based incentive payment for FSPs**

PSNP households and market actors are among the most vulnerable group in Ethiopia, facing challenges in accessing finance due to various factors from both the demand and supply sides. High risk aversion perception of FSPs coupled with liquidity constraints discourages MFIs from serving vulnerable rural households. Moreover, commercial banks prioritize larger enterprises, overlooking the credit needs of smaller rural businesses and individuals.

This RFA, under objective 4, aims to support potential financial service providers willing to extend loans to PSNP cleints and market actors with a maximum 10% incentive payment approach.

HRA seeks partnerships that will lead to specific behavior change model through adaptation and adaptation of business models that lead to enhance access to financial services, including credit, improve agricultural productivity and income, and contribute to better livelihoods for women and youth. Additionally, households will benefit from increased resilience to shocks and stresses, enabling them to better navigate economic challenges. At the system level, the intervention aims to reduce the risk perception of financial service providers (FSPs) and increase their appetite for lending to PSNP households. It will encourage FSPs to develop financial services that are both viable and sustainable, fostering long-term financial inclusion. Moreover, the initiative seeks to establish sustainable relationships between FSPs and PSNP households while improving the overall bankability of PSNP households, paving the way for stronger integration into the financial system.

HRA is seeking applications from financial institutions, who are interested in improving or expanding their services into the following geographical areas under Objective 4:

* Tigray Region - Southern zone (Enda Mekoni and Alaje Woredas); Southeastern zone (Seharti, Samre, Enderta, Hintalo & Wajerat woredas).
* Amhara Region - North Wollo zone (Bugna, Gubalafto, Habru, Raya Kobo, Lasta Woredas); South Gonder zones (Estie, Sede Muja, & Guna Begemidir Woredas).
* Oromia: Deder, Fedis, Goro Gutu, Jarso, Kombolcha, Tullu, Chiro, Oda bultum, Gemechis and Mesela woredas
* Central Ethiopia: Hadiya zone: Mirab Badawacho, Shashogo and Soro Weredas.
* South Ethiopia: Yirga Chaffe, Wenago, Boloso Bombe, Boloso Bombe, Boloso Sore, Sodo Zuria
* Sidama: Aleta Chuko, Dare and Dala woredas.

Partnership agreements will be negotiated with selected companies based on the criteria described below. Companies will also be expected to provide co-investment (in-cash or in-kind) to support their proposed activities. Applicants are expected to contribute a minimum of 50% financial investment (in kind or cash) in their proposed initiative. The maximum amount of available budget (for objective 4) from Mercy Corps side is ETB 5,000,000. Mercy Corps reserves the right to award to one or more applicants. Applicants are also eligible to apply for more than one the objectives stated in this document if its business deems fit.

**Examples of activities that could be supported**

Proposed activities should be based on a sustainable business model. The applicant is responsible for organizing and managing activities with technical and/or financial support from HRA. Examples of activities that could be supported include, but are not limited to, the following:

1. Identify and select potential PNSP borrowers in collaboration with Mercy Corps
2. Market and promote potential financial products and services.
3. Conduct loan appraisal for the identified potential clients.
4. Approve and disburse loan requests
5. Provide financial literacy & conduct loan follow up to ensure regular loan repayments

This list is non-exhaustive. It is simply to provide examples of company initiatives that could be supported by the HRA program. Any additional ideas or a combination of these activities is encouraged, and all ideas will be considered for HRA support.

**Objective 5 Enhance the liquidity of FSP for targeted lending to PSNP households & MSMEs**

Financial Institutions often face challenges with liquidity (loanable funds) which limits their ability to provide timely and adequate credit to PSNP households and market actors. Financial Institutions view PSNP households as high-risk borrowers due to their limited credit history, lack of collateral, and vulnerability to economic shocks and stresses. As a result, FIs are more inclined to allocate their funds towards more secure transactions or target segments, rather than extending credit and financial services to PSNP households. This high-risk perception held by FIs creates significant barriers for PSNP households in accessing the credit and other financial products they need to improve their livelihoods and build resilience. This initiative envisions solving the financial institutions' liquidity problem and providing affordable access to credit for PSNP households.

This RFA under Objective 5 seeks Expressions of Interest from financial service providers committed to driving system-level improvements in the financial ecosystem for vulnerable PSNP households. The assignment focuses on reducing the risk perception of FSPs and increasing their willingness to lend to PSNP clients. HRA plans to enhance the liquidity of financial institutions through various loan guarantee schemes, addressing the financial and economic barriers faced by PSNP households. Applicants must demonstrate a commitment to providing loans to HRA beneficiaries using de-risking approaches such as innovative loan guarantees, offering appropriate loan sizes, favorable repayment terms, and sustainable solutions for PSNP households and MSMEs.

HRA is seeking applications from Financial Service Providers (FSPs) who are interested in improving or expanding their services into the following geographical areas under objective 5:

* Tigray Region - Southern zone (Enda Mekoni and Alaje Woredas); Southeastern zone (Seharti, Samre, Enderta, Hintalo & Wajerat woredas).
* Amhara Region - North Wollo zone (Bugna, Gubalafto, Habru, Raya Kobo, Lasta Woredas); South Gonder zones (Estie, Sede Muja, & Guna Begemidir Woredas).
* Oromia: Deder, Fedis, Goro Gutu, Jarso, Kombolcha, Tullu, Chiro, Oda bultum, Gemechis and Mesela woredas
* Central Ethiopia: Hadiya zone: Mirab Badawacho, Shashogo and Soro Weredas.
* South Ethiopia: Yirga Chaffe, Wenago, Boloso Bombe, Boloso Bombe, Boloso Sore, Sodo Zuria
* Sidama: Aleta Chuko, Dare and Dala woredas.

Partnership agreements will be negotiated with selected companies based on the criteria described below. Companies will also be expected to provide co-investment (in-cash or in-kind) to support their proposed activities. Applicants are expected to contribute a minimum of 50% financial investment (in kind or cash) in their proposed initiative. The maximum available budget (for objective 5) from Mercy Corps side is ETB 54,150,000. Mercy Corps reserves the right to award to one or more applicants. Applicants are also eligible to apply for more than one the objectives stated in this document if its business deems fit.

**Examples of activities that could be supported**

Proposed activities should be based on a sustainable business model. The applicant is responsible for organizing and managing activities with technical and/or financial support from HRA. Examples of activities that could be supported include, but are not limited to, the following:

* Developing a creative/innovative guarantee mechanism to support PSNP households.
* Collaborate closely with the consulting firm selected to develop or improve a guarantee facility.
* Collaborate with the implementing partners to identify and vet eligible PSNP participants, performing thorough background checks to prepare them for credit services.
* Disburse funds to highland PSNP households in Tigray and Amhara regions specifically to households in the woredas listed above.
* Deploy suitable personnel to manage program operations at the central office, regional centers, and local branches.
* Create and apply credit evaluation models that consider the specific circumstances and risks associated with PSNP households.
* Promote the available financial products and services to inform PSNP Households.
* Track and supervise customers' use of loans and repayment progress.

This list is non-exhaustive. It is simply to provide examples of Financial Institutions initiatives that could be supported by the HRA program. Any additional ideas or a combination of these activities is encouraged, and all ideas will be considered for HRA support.

**Objective 6: Support the design and implementation of tailored financial solutions, including credit and savings options for PSNP Households and MSMEs in collaboration with FSPs.**

The existing financial services/products available on the market are not tailored to meet the specific needs of PSNP households. For instance, inappropriate loan sizes, repayment flexibility, or Islamic finance options that cater to the circumstances of PSNP clients. The mismatch between the financial needs of PSNP households and the products and services offered by financial institutions create significant barriers to their effective participation in the formal financial system. A key challenge contributing to the limited access to appropriate financial services for PSNP households is the lack of skill and knowledge among financial institutions in designing customized products that meet the specific needs of this target population. Typically, financial service providers cater to more mainstream or higher-income customer segments and lack the specialized expertise to develop tailored offerings for lower-income, economically vulnerable households participating in the PSNP program.

This RFA (under objective 6) aims to catalyze significant changes in the market system by developing inclusive and tailored financial services for PSNP households and MSMEs.

HRA is seeking applications from Financial Service Providers (FSPs) who are interested in improving or expanding their services into the following geographical areas under objective 6:

* Tigray Region - Southern zone (Enda Mekoni and Alaje Woredas); Southeastern zone (Seharti, Samre, Enderta, Hintalo & Wajerat woredas).
* Amhara Region - North Wollo zone (Bugna, Gubalafto, Habru, Raya Kobo, Lasta Woredas); South Gonder zones (Estie, Sede Muja, & Guna Begemidir Woredas).
* Oromia Region - East Hararghe zone (Deder, Fedis, Gorogutu, Jarso & Kombolcha Woredas); West Hararghe zone (Tullo, Chiro, Oda Bultum, Gemechis and Mesela Woredas).
* Sidama Region - Aletachuko, Darre and Dalle Woredas.
* South Ethiopia Region- Gedeo zone (Yirga Cheffe and Wenago Woredas); Wolaita Zone (Boloso Bombe, Boloso Sore and Kindo Koyisha Woredas).
* Central Ethiopia Region- Hadiya zone (Meirab Badewacho, Shahsego and Soro Woredas)

Partnership agreements will be negotiated with selected companies based on the criteria described below. Companies will also be expected to provide co-investment (in-cash or in-kind) to support their proposed activities. Applicants are expected to contribute a minimum of 50% financial investment (in kind or cash) in their proposed initiative. The maximum available budget (for objective 6) from Mercy Corps side is ETB 3,825,000.

1. **THE APPLICATION PROCESS**

The table below shows the process timeframe for this Request for Application

|  |  |  |
| --- | --- | --- |
| **Date** | **Item** | **Details** |
|  | Information Meeting | All are welcome to learn about the opportunity and ask questions. |
|  | Applications due | Interested companies/institutions must submit a completed application, complete with all relevant documentation, no later than this date. |
|  | Evaluation of applications | This is the expected date for completion of the eligibility and evaluation process, which will be conducted by HRA selection committees. The evaluation process may include an interview with the applicant. Before final selection or rejection, the HRA team may conduct negotiations with the applicant to adjust / improve the application to more closely align with HRA objectives. This will also include a Financial Review, which may also be subject to negotiation / revisions. |
|  | Notification of acceptance / non-acceptance | The HRA Team will issue notifications of acceptance or non-acceptance to all applicants. |
|  | Expected date for signing of Subaward agreement | Following a negotiation process, final agreements between the selected applicants and HRA will be signed, and project implementation will begin. |

1. **Information Meeting**

The information meeting will provide an opportunity for interested applicants to learn more about the opportunity and the process. The following are the details for the Information Meeting:

* **Date: 2024 will be updated after the review**
* **Time:** 2
* **Location:** Online
* **Contact email address for more information:** Teklemichael Tadesse: [ttadesse@mercycorps.org](mailto:ttadesse@mercycorps.org) , Aliy Seid: [aliymohammed@mercycorps.org](mailto:aliymohammed@mercycorps.org) Netsanet: [nsileshi@mercycorps.org](mailto:nsileshi@mercycorps.org) Arsema [aseyoum@mercycorps.org](mailto:aseyoum@mercycorps.org)

1. **Preparation of Applications**

The Application Form is provided below and must be completed by the date listed above. Completed applications will be accepted in English and must be no more than ten (10) pages in length (not including budget, proof of registration, or other required attachments).

HRA will evaluate all Applications based on the criteria described below. ***All applicants that meet the criteria will be considered, however HRA reserves the right not to accept any applicant if none are qualified.***

1. **Who Can Apply**

For this Request for Application, HRA is interested in partnering with:

* Micro Finance Institutions (MFIs)
* Banks
* Mobile Network Operators & fintech
* RuSACCOs

1. **Eligibility**

Mercy Corps is interested in partnership with market actors who fulfill the following **ELIGIBILITY** criteria and are willing to customize their business model to meet the various demands of PSNP Households. To be considered for this funding, applicant(s) must meet the following minimum eligibility requirements:

* Should be legally registered with valid and current renewed business licenses.
* Businesses who have established business models in providing and supplying quality and inclusive products and services to the market.
* Interest in innovating services and business models appropriate to PSNP target participants.
* Commitment to share information related to the service and the business operation with mandated local government bodies and the Mercy Corps.
* The ability to share the cost (in kind or cash) in the proposed initiative with a contribution of up to 50% of the total budget is desirable. Applicants that demonstrate strong ownership and inform high-cost share commitments shall have high chances for success.
* Demonstrate presence in at least one HRA target regions or demonstrated willingness to adopt a business model that is appropriate for PSNP households which is tailored to the needs of marginal groups in the target regions.

**NOTE:**

***As stated in FAR 4.1102 (a), prospective applicants for amounts above $25,000 must register in the US Government system for award management (SAM), which can be found here:*** [***https://sam.gov***](https://sam.gov)***. SAM registration shall not be required for in kind awards and those below USD 25,000. All Applicants will be required to demonstrate and show co-investments in their proposed business applications and models***

* 1. **Evaluation Criteria**

Upon submission, the HRA Team will evaluate all applications using the following criteria:

|  |  |
| --- | --- |
| **Category** | **Allocated Points** |
| A. *Feasibility of design & Technical Approach*   * Viability of the proposed technical approach (i.e., the proposed technical approach can reasonably be expected to produce the intended outcomes). * Contribution of the proposed approach to HRA’s objectives and expected results. | 30 |
| B. *Impact on Target Group*   * Does the approach correspond to the needs of the PSNP households and directly benefit them? * Ability to enable targeted actors to earn reasonable and sustainable returns based on a clearly articulated business case. | 20 |
| *C. Management & Programmatic Capacity*   * Capability to undertake and accomplish the proposed activities and business models | 15 |
| D. Sustainability/Commercial viability   * Ability to build and strengthen the capacity of small-scale traders and farmers. * Can the activity be sustained by the organization beyond the grant? * Ability of the applicant to jointly invest in the proposed activity/business model | 15 |
| E. Inclusivity   * Does the proposed activity incorporate a gender component or represents a strong commitment to including women, youth, disabled and other vulnerable groups as beneficiaries? | 10 |
| F. Past Performance   * Evidence of previous or ongoing business or activity related to the above? | 10 |
| G. Cost Efficiency | n/a |
| Overall Rating (out of 100 points) | 100 |

* 1. **Submission Process**

Interested applicants should submit a hard copy of the Application and required documentation as follows:

**Submission process:** Interested applicants should submit in an enclosed envelop (hard copy) to the Mercy Corps offices below or soft copy of the Application and required documentation through: [hrainnovations@mercycorps.org](mailto:hrainnovations@mercycorps.org)

* MC Ethiopia Country office: Hayahulet, Near Gulla gul, Telephone number +251.111.110.777; or through email [hrainnovations@mercycorps.org](mailto:hrainnovations@mercycorps.org)
* MC Mekelle office: Hadinet sub city Hadinet Kebele around 200-meter east direction of central statistical agency; Telephone, 091472 2022/0914746576/0962513538
* MC Woldiya Office: Near North Wollo Health Department Office; Telephone: +251 334 317 224.
* MC Oromia office: Dire Dawa, Greece camp behind Dire Dawa public library telephone: +25125131220/21.
* Hawassa office: Piaza, Nib Bank building 5th floor Telephone; +251912049258/+251985412885.
* MC Central office: Hosaena town, Along B2 road to Addis Ababa, Infront of Mariam church next to Kana restaurant. Telephone; +251 911915142.
* MC Sodo Office: Ethiopian Catholic Sodo social and development coordination compound; Telephone: +251913184052.

**Areas not eligible for funding:** Financial support for the purchase of the items deemed as restricted items by USAID. Restricted items include used machinery and equipment and other USG surplus machinery and equipment).

**Conditions**

Issuance of this solicitation in no way constitutes a commitment by HRA to execute any agreement or to pay any costs incurred by any applicant in submitting an application.

Please note that HRA **will fully respect the confidentiality** of all companies involved in the program. If selected, HRA will establish an agreement with the company/institution that describes the objective of collaboration and that clearly defines each party’s respective responsibilities, roles, and obligations. Successful applicants must be willing to share information with HRA regarding their performance, and HRA will conduct interviews with clients / customers to gather information on impact and to monitor progress.

**Annex 1: APPLICATION FORM**

|  |  |
| --- | --- |
| Request for Application Ref # |  |
| Request for Application Title |  |
| Applicants HRA Target region (s) and Woreda(s) |  |

Please ensure you complete all sections and attach all required documentation. The Application Form should be **no more than ten (10) pages in length** (not including additional supporting documentation and budget).

1. **Applicants contact details**

|  |  |  |
| --- | --- | --- |
| 1.1 | Name of point of contact for the applicant |  |
| 1.2 | Position of point of contact within the business / institution |  |
| 1.3 | Address |  |
| 1.4 | Phone number |  |
| 1.5 | Email address (optional) |  |

1. **Business/institution information**

|  |  |  |
| --- | --- | --- |
| 2.1 | Name of the business / institution |  |
| 2.2 | Year of establishment |  |
| 2.3 | Description of current business / institution structure and main business activities |  |
| 2.4 | Number of full-time staff / part-time staff |  |
| 2.5 | Mission / Objective of business / institution |  |
| 2.6 | Has your organization received any financial / technical assistance from international organizations or NGOs (if yes, please describe the content of the assistance) |  |

1. **Proposed Business / activities**

|  |  |  |
| --- | --- | --- |
| 3.1 | Brief description of proposed business case / activities, and why it is viable in the current market context and who are the main clients / partners in the proposed business |  |
| 3.2 | Explain why the proposed business case/activities requires support from Mercy Corps |  |
| 3.3 | Proposed location of activities and target groups (outreach/geographic coverage) including last mile agent network and targets your business model would be able to serve once revamped |  |
| 3.4 | Expected impact of the business case/activities on the PSNP households (please include economic or social benefits, number of individuals / households benefiting from this business case) |  |
| 3.5 | Proposed list of activities needed to realize the proposed business case/activities successfully and sustainably |  |
| 3.6 | Describe how your track record and experience will enable you to implement the business case case/ activities successfully |  |

1. **Budget summary**

|  |  |  |
| --- | --- | --- |
| 4.1 | Estimated cost of the entire business / activities (ETB) |  |
| 4.2 | Total request for financing from Mercy Corps (ETB and %) |  |
| 4.3 | Total financing covered by the applicant (ETB and %) |  |
| 4.4 | Describe other sources of financing (e.g. bank loan, family loan, own capital) |  |

1. **Supporting documentation**

(If they are not available, please provide the equivalent information.)

* Company Profile (if available)
* Copy of business registration documents
* Copy of tax registration
* Copy of financial reports for the last two years, including any audit report (if available)
* Please include details of the budget, as shown in Annex 2 below
* Testimonials from partners (if any)

**I HEREBY CERTIFY THAT THE INFORMATION PRESENTED IN THE CONCEPT NOTE IS ACCURATE AND COMPLETE.**

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Annex 2 – BUDGET TEMPLATE**

Please include a budget detailing the costs of the proposed innovation / activities, in the format below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Item and Description** | **Quantity** | **Unit cost** | **Total Cost** | **RISING Share (%)** | **Applicant Share (%)** |
| **1** |  |  |  |  |  |  |
| **2** |  |  |  |  |  |  |
| **3** |  |  |  |  |  |  |
| **4** |  |  |  |  |  |  |
| **5** |  |  |  |  |  |  |
| **6** |  |  |  |  |  |  |
| **7** |  |  |  |  |  |  |