Request for Application:
Introduction and Onboarding WASH (Water, Sanitation, and Hygiene) SME to eCommerce Platform

Issuance Date: December 22, 2022
Request for Application Number: RFA-CATALYZE-217772-Ethiopia-2022-0052
Due Date for submission of questions: December 28, 2022
Pre-application Conference Date: December 29, 2022
Closing Date for Receipt of Applications: January 18, 2023
Total funding available (all grants): $500,000
Anticipated Number of Grants: One or more

REF: USAID/CATALYZE MS4G WASH SME Introduction and Onboarding to eCommerce Platforms
Prime Contract Number: 7200AA19C00080
Subject: Palladium's Request for Applications (RFA) Number RFA-CATALYZE-217772-Ethiopia-2022-0052

Dear Prospective Applicants,

CATALYZE Market Systems for Growth (MS4G), an initiative funded by the United States Agency for International Development (USAID) and implemented by Palladium LLC, inviting local eCommerce platforms that are interested in introducing or scaling of WASH products on their platforms. CATALYZE MS4G is implementing an accessible marketplace for end users, businesses, and WASH suppliers which will be integrated into an existing and well-established market ecosystem (eCommerce platform) under USAID Prime Contract #7200AA19C00080.

The RFA is comprised of the following sections:

  I.   FUNDING OPPORTUNITY DESCRIPTION
  II.   ELIGIBILITY REQUIREMENTS
  III.   APPLICATION AND SUBMISSION REQUIREMENTS
  IV.   APPLICATION REVIEW INFORMATION
  V.   AWARD ADMINISTRATION INFORMATION

Successful applicants will be responsible for ensuring the achievement of the program objectives. Please refer to the Program Description section of this RFA for a complete statement of goals and expected results.

Subject to the availability of funds, CATALYZE MS4G intends to issue grants for up to $500,000 in total for results achieved from February 2023 to January 2024. CATALYZE MS4G reserves the right to fund any or none of the applications submitted.

To be eligible for the award, applicants must provide all required information in their application, including the requirements found in all attachments to this RFA. Applications that are submitted late, or incomplete, will not be considered. Awards will be made to the applicants whose application best meet the requirements of this RFA and the evaluation criteria contained herein.

If potential applicants have any questions, queries, or clarifications, they may forward them to the following email address before the date stated on the cover page of this RFA: EthiopiaMS4G.procurement@thepalladiumgroup.com. Answers will be shared through an amendment to this RFA.

We are kindly inviting the applicants to send their expression of interest in participating in the pre-application conference related to this RFA through an email no later than December 28, 2022, to EthiopiaMS4G.procurement@thepalladiumgroup.com.

CATALYZE MS4G requires that applications be submitted electronically (e-mailed) to **EthiopiaMS4G.procurement@thepalladiumgroup.com** **no later than January 18, 2023,** at **17:00 EAT.**

Issuance of this RFA does not constitute an award commitment on the part of CATALYZE MS4G, nor does it commit CATALYZE MS4G to pay for any costs incurred in the preparation and submission of an application. Further, CATALYZE MS4G reserves the right to reject any or all applications received. Applications are submitted at the risk of the applicant, and all preparation and submission costs are at the Applicant's own expense.

Sincerely,

CATALYZE MS4G Grant Team

Attachments:
A. Full Technical Application Template
B. Full Cost Application/Budget Template
C. Fixed Amount Award (FAA) Template
D. ADS 303mav: Certifications, Assurances, Representations, and Other Statements of the Recipient

SECTION I: FUNDING OPPORTUNITY DESCRIPTION

1. **Program description**

USAID CATALYZE Market Systems for Growth (MS4G) is a four-year activity funded by USAID/Ethiopia focusing on creating transformative outcomes in the food security and Water, Sanitation, and Hygiene (WASH) sectors. To achieve these goals, the activity will engage youth, mobilize capital, increase access to finance, and support stakeholders to self-advocate toward policy change which will promote opportunities for the private sector community.

As a key component of its work, CATALYZE MS4G aims to accelerate the use of digital solutions and services on the part of Ethiopian enterprises to improve efficiency in business operations, access new domestic and international customers, enhance financial inclusion, and reach previously underserved customers (e.g. through last mile solutions), not just in Addis Ababa, but also in secondary cities and rural areas. The CATALYZE MS4G WASH SME eCommerce activity aims to partner with Ethiopian eCommerce stakeholders to enable and incentivize WASH enterprises to initiate and/or expand their presence on eCommerce platforms as part of their business growth strategies while expanding customers' access to WASH products across Ethiopia.

2. **Scope**

CATALYZE MS4G intends to collaborate with one or more Ethiopian eCommerce platforms to assist in accelerating the onboarding of Ethiopian enterprises in the business of producing, selling, and/or distributing WASH products online for distribution in Addis Ababa, peri-urban areas, secondary cities, and/or rural areas. Specifically, CATALYZE MS4G plans to co-invest in eCommerce platforms' efforts to:

1) build awareness amongst SMEs active in the WASH sector of the benefits, steps, processes, logistics, and business practices involved in engaging in eCommerce;

2) accelerate the pace in which WASH SMEs' are onboarded to eCommerce platforms with robust sales and distribution reach covering multiple regions and markets within Ethiopia; and

3) expand the availability of finance and digital payment solutions for WASH enterprises operating on eCommerce platforms. This will be achieved through one or more Fixed Amount Agreements (FAA) that share the cost of SME eCommerce awareness building and onboarding. Selected eCommerce platforms will be paid on a milestone, pay-for-results basis based on the number of SMEs introduced and onboarded to the partners' platform and the growth in sales of onboarded WASH SMEs.

3. **Objectives**

Through partnering with one or more Ethiopian eCommerce platforms, CATALYZE MS4G expects to introduce and onboard up to 250 businesses engaged in the WASH sector to eCommerce platforms and increase their sales. This in turn is expected to advance the following primary objectives:

- Support WASH enterprise sales growth, performance, and sustainability through the use of digital solutions and eCommerce platforms to increase access to the domestic consumer market and improve business efficiencies. eCommerce provides access to new markets that would otherwise require higher amounts of capital and resources to reach.
- Pilot and scale financial solutions and/or services that will enhance WASH eCommerce sellers' ability to expand and sustain sales.

- Leverage the expansion of the number and diversity of WASH products available on eCommerce platforms to enhance access to WASH products across Ethiopia and thus support healthier Ethiopian communities, households, and workforces.

As enterprises tend to sell more on eCommerce platforms, they would begin to include eCommerce as a core function of their business operations. The program assumes that a boost in sales in the short term will lead to increased investment in online sales. This includes adding staff to manage online sales, inventory management, digital and social media marketing, and eventually joining additional e-retail platforms. In time, producers will identify which platforms are best suited for reaching their target market and will customize their online presence accordingly.

4. Eligible Sectors and Geographic Scope

This initiative is targeted toward established and proven Ethiopian eCommerce platform partners with an interest in co-investing in activities that introduce and onboard SMEs in the WASH sector on one or more eCommerce platforms. WASH involves a diversity of sub-sectors, types of business operations and models, products, services, and enterprise types, each with its market dynamics, influences, incentives, and barriers. Illustrative products marketed by WASH SMEs may include soap and cleaning products, feminine hygiene products, alcohol-based hand rubs/disinfectants, water purification tablets, water storage, and filter devices, household sanitation products, wastewater treatment chemicals, and products for household waste management.

5. Requirements

Full Applications must conform to the structure in Attachment A, Technical Application Format, which is described in more detail in SECTION III of this RFA.

6. Anticipated Outcomes

Through Fixed Amount Awards (FAAs) issued to one or more eCommerce partners, CATALYZE MS4G aims to achieve the following outcomes:

- Up to 250 businesses (at least 30% women-owned) engaged in the WASH sector (production and service provision) introduced to eCommerce to expand sales
- Up to 250 WASH-focused businesses onboarded onto eCommerce platforms
- eCommerce digital credit solutions for buyers or sellers of WASH products.
- Increase in sales of participating SMEs by 10% over a 12-month period

7. Schedule

CATALYZE MS4G anticipates awarding one or more Fixed Amount Award (FAA) as a result of this solicitation process. The expected performance period is between February 2023 and January 2024.

8. Project Guidance and Post-Award Support

During the grant period, the Grantee will report to the CATALYZE MS4G Grants Team for overall guidance related to this grant, appropriate technical staff for technical matters, and the M&E team regarding monitoring deliverables. CATALYZE MS4G will provide the following to the selected Grantee(s):

- Project activity brief
- Simplified report template
- Kick-off meeting
- Support in stakeholder engagement
- Support in troubleshooting challenges as appropriate.

9. Monitoring

CATALYZE MS4G will monitor the implementation of the grant to enable sound oversight and management; examples of such monitoring include:

- Monthly meetings with Project Team to discuss progress against the implementation plan
- Quarterly Program Reviews
  - Accomplishments in the prior period
  - Planned activities for the upcoming period
  - Identification of any problematic issues
  - Action items list, if any
  - Modification of deliverables, if required

SECTION II: ELIGIBILITY REQUIREMENTS

To be considered eligible for a grant award, prospective grantees must:
- Be legally registered per the laws of Ethiopia (registration documents required).
- Not be part of a government or any government structures.
- Not appear on any list of debarred or suspended entities (as found on www.sam.gov), or on any terrorist watch list or other published list of ineligible recipients.
- Certify that they are not affiliated with any political party nor engaged in any partisan activities.
- Certify that they are receptive to participation in available learning opportunities and commit to participating in capacity-building components
- In addition, all prospective Grantees under consideration for an award exceeding $25,000 (or local equivalent) must have or be able to obtain a **Unique Entity Identifier** (UEI) Number.
- For more information on eligible sectors and geographic scope, refer to Section 1 Objectives of this RFA

Note: GSA has developed a useful interactive PDF tool that guides through the most common scenarios about UEI (https://www.fsd.gov/sys_attachment.do?sys_id=af05f8fb1b44851006b09796bc4bcb6d)

SECTION III: APPLICATION AND SUBMISSION INSTRUCTIONS

Activity Name*: Introduction and Onboarding WASH SME to eCommerce Platform.*

CATALYZE MS4G will award one or more grants resulting from this solicitation to the responsible applicant(s) that demonstrate the capability to carry out activities conforming to the project objectives and within the funding and other parameters set by this RFA.

This solicitation does not commit CATALYZE MS4G to make an award. Palladium may at its sole discretion (a) accept or reject any or all applications, at any step – in part or in full – without assigning a reason; and (b) waive informalities or irregularities in applications received.

FULL APPLICATION

Full applications must be submitted in English and conform to the structure in Attachment A, Technical Application Format, which includes the following sections:

i. **Cover Letter (1-page)**: with information regarding the FI. General information includes: (1) the Legal Name of the Entity, (2) the TIN, (3) the Mailing Address, (4) the Physical Location, (5) Contact Information, and (6) the Organization's Legal Representative.

ii. **Organization/Company Profile (1 page):** Provide a one (1) page summary providing an overview of the applicant eCommerce partner's current eCommerce activities, inclusive of a narrative of the current level of sales of WASH products (if available) and SMEs on the platform. Provide any relevant details on the applicant's strategy and priorities in attracting and onboarding new SMEs onto eCommerce platforms, with any details on efforts to expand the sales of WASH products on an eCommerce platform and expand sales to pre-urban areas, secondary cities, and rural areas.

iii. **Project Description (4 pages maximum):**
Applicants are asked to present a plan and strategy to 1) rapidly introduce WASH SMEs to eCommerce in Ethiopia, 2) onboard those WASH enterprises to an eCommerce platform and, 3) expand their sales by 10 percent or more. Applicants should indicate the number of WASH SMEs they plan to engage (the total number of SMEs benefiting from all awards under this RFA must total MS4G's target of 250) The project description should also include any proposed pilot initiatives designed to help WASH SMEs expand sales through access to finance solutions (including digital finance solutions) that benefit sellers and/or buyers. This project description should include details on how the applicant will identify, recruit and attract prospective WASH SMEs with an emphasis on engaging women- and youth-owned enterprises; how the applicant will train and onboard applicants and provide services to participating SMEs throughout the process; and how the applicant will help participating SMEs overcome common challenges faced by sellers as they start selling on an eCommerce platform and work to expand sales, including marketing, digital payments, access to finance and order fulfillment. Outline how CATALYZE MS4G's investment in introducing and onboarding 250 WASH SMEs is expected to help further expand the number of WASH SMEs engaging in eCommerce in Ethiopia over the long term.

iv. **Project Implementation Plan (1 page):**
Present an implementation plan that outlines key activities and when they will take place to ensure success under this initiative. This section may include a Gantt chart of planned activities and a timeline with a brief narrative.

v. **Monitoring and Evaluation Plan (2 pages):**

Describe the monitoring and evaluation methods to be implemented by the applicant as well as the tools used to measure and evaluate the impact on women- and youth-owned WASH enterprises, increased sales and the increased access to WASH products on the part of under-served market segments in Addis Ababa, peri-urban areas, secondary cities and rural areas.

vi. **Proposed Milestone Schedule (included in template):**
Applicants are asked to propose a series of milestones or deliverables against which payments will be paid by CATALYZE MS4G under the Fixed Award Agreement. Milestones are for a verifiable product, task, deliverable, or goal of the recipient. The milestones will generally have three parts: (1) a description of the product, task, deliverable, or goal to be accomplished; (2) a description of how the recipient will document the completion of the product, task, deliverable, or goal; and (3) the amount that the prime contractor will pay the recipient for the deliverable. Some milestones may also have dates indicating when the milestone is expected or required to be completed. Milestones must be objectively verifiable regarding completion and quantity and within the recipient's span of management, and control to complete as designed.

An illustrative milestone schedule is presented below.

Milestone	Deliverable	Percentage of payment relative to FAA budget
Introduction to eCommerce to 250 WASH business	Attendance sheets from eCommerce training sessions signed by 250 WASH business representatives.	20%
Onboarding 250 WASH businesses to the eCommerce platform	Screenshots showing active use of the eCommerce platform.	20%
Introduction of a credit scheme for digital sales targets WASH product buyers or sellers	Credit agreements with WASH businesses.	20%
10% increase in sales of WASH business through the eCommerce platform.	Financial statements from WASH businesses show a 10% sales increase.	40%

vii. **Experience and Capacity (1 page):**

Applicants should list previous and ongoing experience implementing similar activities. This is a critical factor in assessing the capacity of the grantee to implement the activity. The applicant also provides contact information of at least three references that can speak to the applicant's performance and capabilities.

a. Instructions for Preparation of the Cost Application

As part of the Cost Application and in addition to the Budget Template (Attachment B), the applicant shall include the following:

i. Transmittal Letter

The applicant must be signed by an individual authorized to commit to the organization.

ii. Organizational Information and Certifications

The applicant shall submit the following annexes to the cost application:

- "ADS 303mav: Certifications, Assurances, Representations, and Other Statements of the Recipient" found in Attachment D of this RFA.

- Copy of the organization's chart and bylaws and power of attorney of the authorized signer.

- Copy of the organization's legal registration under the laws of Ethiopia.

- Copies of the last annual financial report(s) completed by an authorized/certified accountant.

iii. Budget Narrative and Detail

This section should include a summary of the information provided in the application budget forms and includes the total grant funding request. The applicant must provide a budget, a budget narrative, and adequate cost and historical or unit pricing data to establish a reasonable cost and the assurance that the recipient will not realize any profit above the actual cost. Within the budget notes, an applicant also describes any other donor funding currently received and how it will allocate shared resources across multiple grants (if applicable).

The applicant shall include a budget narrative that breaks down proposed costs in sufficient detail corresponding to the attached budget template to permit cost analysis. The budget shall be denominated in local currency only.

Cost estimates must be submitted **in Excel format using the attached budget template.** The file must be unprotected and there should be no hidden columns/rows/cells. Each cost element must include a basis for estimate or rationale. Any budget submitted without the accompanying narrative or in a different template will not be accepted and the application will not be considered. **Please note that applications will be judged based on the efficiency of costs vs. proposed performance targets.**

The budget template contains the following budget categories:

a. <u>Salaries (activity staff)</u>
The applicant shall provide the individual's name, position title, the unit (days), the number of units (i.e., the level of effort), the unit salary or consultant fee, and the total salary or consultant fee. Unit salaries shall be stated in days. Benefits, fees, and indirect costs should not be included in the unit salary.

b. <u>Fringe Benefits</u>
This could include social security, health insurance, and other mandatory withholdings for relevant grantee staff.

c. <u>In-country Travel and Transportation</u>
Travel and Transportation include per diem and shall be broken down by traveler, vehicle, number of trips, and the corresponding number of days of per diem. Include a basis of estimate for each trip.

d. <u>Other Direct Costs (ODCs)</u>
As part of the detailed budget breakdown, the applicant shall submit details of all other direct costs (ODCs) required for undertaking the award grant. ODCs include costs of direct program implementation, as well as costs for communication, meetings, expendable supplies and materials, report preparation/reproduction, and publications. Include a basis of estimate for each item.

As illustrative examples only, program implementation costs could include the following (or many others):
- *Communication costs: The applicant should provide details of communication costs that would be needed to conduct the proposed activities. Illustratively, communication costs could include events, signage, and print materials.*
- *Assurance costs: The applicant should provide details of costs for quality improvement/assurance that could include supervisory visits and monitoring mechanisms.*

<u>*NOTE: USAID Policy Prohibits the Payment of Fee/Profit to recipients under assistance instruments.*</u>

Submission of the full Application:
Full applications must be submitted no later than 17:00 EAT, January 18, 2023, electronically (via email) to EthiopiaMS4G.procurement@thepalladiumgroup.com using the subject line Subject: Introduction and Onboarding WASH SME to eCommerce platform **RFA-CATALYZE-217772-Ethiopia-2022-0052**.

IMPORTANT NOTE: Technical and financial applications should be submitted in two separate electronic files.

SECTION IV: APPLICATION REVIEW INFORMATION

The application must be fully completed in all aspects in each step. An application may not be considered if it is received after the submission deadline. Costs associated with the preparation of the full application shall be at the expense of the applicant.

EVALUATION OF FULL APPLICATIONS

CATALYZE MS4G intends to issue a FAA grant to the organization(s) considered to provide the best technical approach, feasibility, sustainability and scale, and organizational capacity, with a focus on gender, youth, and geographic inclusion across the approach. The criteria below will serve as the basis upon which the application will be evaluated. Selection will also be based on the capabilities of the organizations as detailed in the application.

a. Evaluation Criteria

The technical applications will be evaluated according to the following criteria, which are listed below, which are listed in order of importance, with the most important listed first with additional details.

	Evaluation Criteria	Details	Information Source (Refer to Annex 1- Technical Proposal)	Maximum Score
1	Technical Approach	Compelling strategy, willingness, and flexibility to rapidly identify, recruit, attract, train, onboard, and support 250 or more WASH SMEs, with a focus on women-owned businesses and WASH products benefitting women (eg. Female hygiene products). Consideration will be given to the extent the applicant has existing initiatives or solutions in development or under implementation to expand the number of women- and youth-owned enterprises on an eCommerce platform and enhance underserved customer segments or regions' access to eCommerce services and WASH products.	Technical Proposal	40
2	Feasibility	Extent to which the applicant's approach and organizational capacity indicates that the applicant will be able to achieve the outcomes and objectives outlines in the RFA. Consideration will be given to applicants who demonstrate a clear understanding of challenges faced by SMEs when onboarding onto an eCommerce platform or expanding sales on eCommerce platforms and an approach or solutions to addressing those challenges	Technical proposal and Proposed Milestone Schedule	20
3	Sustainability and Scale	Extent to which the applicant's strategy and approach is likely to be sustained or scaled in the form of further WASH SMEs onboarded	Technical proposal	20

		and expanding sales beyond the 250 WASH enterprises participating in this activity.		
4	Organizational Capacity	Applicant's capability to effectively and rapidly engage and onboard SMEs onto an eCommerce platform in an inclusive manner that benefits both women- and youth-owned WASH SMEs and expands the sales of WASH products and services to underserved markets in peri-urban, secondary cities, and rural areas.	Organization/ Company profile and Experience and Capacity.	20
		Total		**100**

Proposed costs will be evaluated for reasonableness, completeness, and overall efficiency in meeting the proposed performance targets, and will play a larger determining factor in instances where bidders are reasonably close in technical evaluation.

SECTION V: AWARD ADMINISTRATION INFORMATION

a. **Award Notices**

Successful applicants can expect to receive the following upon approval by USAID:

- A notice of USAID approval
- Draft Fixed Amount Award grant agreement

b. **Award Administration Standards**

Grants resulting from this solicitation will be administered by the approved Project Grants Manual, and the following regulations (as applicable):
- FAR Part 31 – Cost Principles for For-Profit organizations used to negotiate award amounts and terminations per 2 C.F.R. 200.201 (b)(1))
- Automated Directives System (ADS) Chapter 303 Grants & Cooperative Agreements to Non-Governmental Organizations: 303.3.25 Fixed Amount Awards to Non-Governmental Organizations
- A Mandatory Reference for ADS Chapter 303: 303_mak Fixed Amount Award Entity Eligibility Checklist – as adapted by Palladium
- A Mandatory Reference for ADS Chapter 303: 303_mat Fixed Amount Awards to Non-Governmental Organizations - as adapted by Palladium
- ADS 302.3.4.13 Grants Under Contracts (GUCs)
- 2 C.F.R. 200.1 Definition Fixed Amount Awards
- 2 C.F.R. 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts (as referenced in ADS 303.3.25.a.)
- 2. C.F.R. 200 Subpart E – Cost Principles for non-profit and educational organizations – used to negotiate award amounts and terminations per 2 C.F.R. 200.201 (b)(1))

c. **Reporting**

Deliverables required for milestones payment

CATALYZE MS4G will work with apparent successful applicants (ASAs) to finalize a Milestone Payments Schedule with clear milestones and verifiable deliverables for which payments under the FAA will be made.

CATALYZE MS4G reserves the right to audit documentation of results at any time, as the project conducts Monitoring and Evaluation (M&E) verifications. CATALYZE MS4G will obtain both the eCommerce platform and enterprises' approval to release information in publicly reported success stories, periodic reports, and lessons learned reports. The eCommerce platform may be required to submit

additional reporting periodically (reporting format will be provided by MS4G). Participating eCommerce platform agree to comply with and respond to MS4G requests for information.

d. <u>Branding & Marking Requirements</u>

Successful applicants will be required to submit a Branding Strategy and a Marking Plan that complies with the approved Branding and Marking Plan for the project and must follow the mandatory standard provision entitled "MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (DECEMBER 2014)" (for standard cost type grants) or "MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (JULY 2015)" (for FAAs) in preparing the Branding and Marking Plan.

e. <u>Environmental Compliance</u>

The grants program anticipates funding only activities that fall under the categorical exclusions of "USAID Environmental Guidelines."[1] Therefore, if all activities under a specific grant are identified as categorical exclusions, the project will not conduct any additional environmental assessment or will not require prior review by USAID's environmental officer. However, in instances where the proposed activity may directly affect the environment outside the exclusions, the project will seek guidance from the COR, to ensure compliance with 22 CFR 216 and the "USAID Environmental Guidelines."

CATALYZE MS4G will ensure all stipulated environmental measures and conditions in the award are implemented throughout the life of the award, and that timely amendments are undertaken, as needed, by obtaining the relevant USAID Environmental Officer's prior approval in writing to ensure compliance with 22 CFR 216 and the applicable USAID Environmental Guidelines.

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[1] 22 CFR 216