Issuance Date: February 10, 2023
Request for Application: MS4G Warehouse Operator Support
Request for Application Number: RFA-CATALYZE-217772-Ethiopia-2023-0057
Due date for submission of questions: February 14, 2023
Pre-application Conference Date: February 15, 2023
Closing Date for Receipt of Applications: February 24, 2023, at 17:00 EAT.
Total funding available (all grants): $150,000
Anticipated Number of Grants: up to 3

Dear Prospective Applicants,

USAID CATALYZE Market Systems for Growth (CATALYZE MS4G), an initiative funded by the United States Agency for International Development (USAID) and implemented by Palladium LLC, is inviting certified warehouse operators to participate in an initiative to increase access to quality storage facilities and access to financing through Warehouse Receipt Financing (WRF) in Ethiopia under USAID Prime Contract #7200AA19C0080.

The RFA is comprised of the following main 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 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 $150,000 in total for results achieved from April 2023 to January 2024. CATALYZE MS4G reserves the right to fund any or none of the applications submitted.

To be eligible for an award, applicants must provide all requested information in their application, including the requirements found in any attachments to this RFA. Applications that are submitted late, or incomplete, will not be considered. Awards will be made to the applicants whose applications 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: CATALYZE-Ethiopia.ms4g.grants@thepalladiumgroup.com. Answers will be shared through an amendment to this RFA.
A pre-application conference related to this RFA will be held on **February 15, 2023**. If you want to join the conference, please submit your expression of interest no later than **February 14, 2023,** to CATALYZE-Ethiopia.ms4g.grants@thepalladiumgroup.com.

CATALYZE MS4G requires that applications be submitted by e-mail to CATALYZE-Ethiopia.ms4g.grants@thepalladiumgroup.com no later than February 24, 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; all preparation and submission costs are at the applicant's own expense.

CATALYZE MS4G will conduct meetings for all interested applicants to answer any questions related to this RFA.

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 Statements of the Recipient

SECTION I: FUNDING OPPORTUNITY DESCRIPTION

1.   Background

USAID CATALYZE MS4G focuses on creating transformative outcomes in the food security and WASH sectors to benefit all Ethiopian people. To achieve these goals, the activity engages youth, mobilizes capital, increases access to finance, connects enterprises to markets, tests and scales inclusive business models, and supports stakeholders to self-advocate towards policy change which will promote opportunities for the private sector community.

As part of its efforts to increase access to finance in the agriculture sector and improve food security, CATALYZE MS4G intends to support the scaling up of quality produce storage and associated warehouse receipt financing (WRF). This intervention will increase the number of partners engaging in WRF: in addition to the three certified warehouse operators, the initiative will also engage up to five private banks, five cooperative unions, 25 primary cooperatives, and three agro-processors (with additional actors in the value chains). Over the course of approximately nine months, CATALYZE MS4G expects to drive benefits to large numbers of SMEs (small and medium enterprises), smallholder farmers, and farmers' unions and cooperatives.

2.   Proposed Intervention

Establishing and maintaining certified produce storage facilities ('warehouses') requires substantial investment. CATALYZE MS4G intends to incentivize certified operators to make these investments and test their attractiveness to farmers, processors, and other target customers by funding first-time customer trial. CATALYZE MS4G proposes grant funding that would flow through the warehouse operators for the benefit of the cooperatives, unions, farmers, and SMEs they serve.

The warehouse management companies will manage and operate the warehouses in compliance with regulatory standards and maintain records and provide services that will allow the beneficiaries to gain access to financing with private financial institutions. CATALYZE MS4G strongly encourages and welcomes the facilitation of financing for women-led enterprises.

The warehouse operators are expected to do the following.
1. Enter into contractual agreements with cooperatives and unions for warehouse management.
2. Provide training, capacity building, and transfer knowledge of warehouse operations and management.
3. Promote and market the usage of their certified produce storage facilities for farmers, cooperatives, and unions to increase the uptake of commodity financing.
4. Facilitate and provide follow-up services between the borrowers and the financial institutions to expedite loan disbursement.
5. Provide data and impact results monthly.

Description of Funding Opportunity

CATALYZE MS4G is issuing this RFA to support certified food storage warehouse operators and the customers and communities they serve. CATALYZE MS4G will reimburse the warehouse operators for the storage service fee they would normally charge their customers. Operators will be responsible for customer outreach and marketing. CATALYZE MS4G will disburse payments to operators upon submission of copies of certified customer receipts. For any first-time depositor, storage should not be direct charged (for the first three months), instead fees should be collected from CATALYZE MS4G. It is up to the warehouse operator to prove the benefits to their customers such that they are willing to pay the storage fee after the third month.

Award Information

This Application is a call for certified warehouse operators to scale up warehouse utilization to store produce and leverage financing.

Selected operators will participate in CATALYZE MS4G's warehouse operators support Fixed Amount Award (FAA) Grants program, to receive milestone payments for increased warehouse receipt utilization and WRF. CATALYZE MS4G will review grantee performance every month and evaluate whether adjustments are required.

3. Requirements

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

4. Anticipated Outcomes

CATALYZE MS4G, through grants issued to support warehouse operations so that customers may use their stored commodities as collateral to secure loans, seeks to achieve the following but not exclusive illustrative outcomes:

Indicator	Intervention Outcome towards Target	Remark
Ind G1: USD capital mobilized	Up to $10 m	This indicator is an all-inclusive sum of capital mobilized through CATALYZE MS4G efforts

5. Schedule

CATALYZE MS4G anticipates the awarding of one or more Fixed Amount Award (FAA) grants because of this solicitation process by April 2023. The expected performance period is between April 2023 to November 2023.

6. 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, to 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 template
- Simplified report template including, type of product, volume value, location of the warehouse, capacity of the warehouse monthly product intake and withdrawal, among others.
- Kick-off meeting

7. 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
- Quarterly Program Reviews
  - Accomplishments in the prior period
  - Planned activities for the upcoming period
  - Identification of any problematic issues

   o Action items list if any
   o Modification of deliverables, if required

SECTION II: ELIGIBILITY REQUIREMENTS

In order to be considered eligible for a grant award, prospective grantees must:
- Be legally registered in accordance with 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. *
- Must be a licensed warehouse manager and operator.
- Must manage a minimum of four food storage facilities.
- Fulfill all requirements in the 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: MS4G Warehouse Receipt Financing Support

CATALYZE MS4G will award up to three (3) grants resulting from this solicitation to the responsive 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

a. **Cover Sheet**

 The applicant provides basic contact information and information regarding the status of the organization. General information includes these elements:
  i. Legal Name of Organization
  ii. Mailing Address
  iii. Physical Location
  iv. Contact Information
  v. Organization's Legal Representative
  vi. *Tax ID number (or other local ID required for organizations to be eligible)*
  vii. *UEI number, for grants expected to exceed $25,000*

b. **Instructions for Preparation of the Technical Application (maximum 11 pages total, excluding annexes)**

The Technical Application should be submitted in the English language, and attached with the following annexes, using the template included as Attachment A to this RFA:

i. **Company Profile (maximum 2 pages, refer to the technical proposal template)**

Applicants are expected to present a two (2) Page summary providing an overview of their background and provide any relevant details on their overall strategy and in scaling up utilization of Warehouse receipts.

ii. **Project Description (maximum 4 pages. Use provided technical proposal template):**

Applicants are requested to present a plan to manage a certain number of warehouses and attract depositors into these warehouses.

- State the number of warehouses to be operated, average volumes of produce expected to be managed, and expected number of new customers to be reached with the grant.
- A strategy to rapidly expand financing warehouse receipt utilization. This can include orienting current services, introducing new methods/approaches to scale-up, orienting staff resources towards expanding the scale-up, any potential partnerships, or other actions to reduce obstacles to viable farmers and other value chain actors to access warehouses.
- Outline how the proposed elements will support progress toward the applicant's longer-term engagement in the warehouse receipt financing activity.

iii. **Project Implementation Plan (1 page, use provided technical proposal template):**

Applicants are expected to present an implementation that outlines when key activities will take place to ensure success under this initiative. Please attach a Gantt chart of planned activities and a timeline for their completion, with a brief description.

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

Describe the monitoring and evaluation methods implemented by the applicant as well as the tools used to measure and evaluate Warehouse utilization and financing results. and impact. CATALYZE MS4G expects collected data to comprise, among others, the type of SME, location, ownership structure, male/ female owned, and other parameters.

v. **Experience and Capacity (up to 2 pages, please use the template provided):**

The applicant lists previous and ongoing experience implementing similar activities. This is a critical factor in assessing the capacity of the grantee to implement the activity.

c. **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 application must be signed by an individual authorized to commit 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.

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 USD.

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 and/or the ratio of CATALYZE MS4G investment/loans the FIs commit to providing MSME loans. Applicants must show proposed co-investment in the activities.**

The budget template contains the following budget categories:

a. Salaries (activity staff)
   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. Fringe Benefits
   This could include social security, health insurance, and other mandatory withholdings for relevant grantee staff.

c. In-Country Travel and Transportation
   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. Other Direct Costs (ODCs)
   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 but not limited to the following (or many others):

- *Marketing costs: The applicant should provide details of marketing costs that would promote its services. Illustratively, marketing costs could include events, signage, and promotional print materials.*
- *Assurance costs: The applicant should provide details of costs for quality improvement/assurance that could include supervisory visits and monitoring mechanisms.*

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

Submission of the full Application:
Full applications must be submitted no later than 17:00 EAT, March 6, 2023, via email to CATALYZE-Ethiopia.ms4g.grants@thepalladiumgroup.com. using the subject line "Subject: MS4G Warehouse Operator Support."
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 grant to the organization(s) considered to provide the best strategic fit, technical approach, past performance/organizational capacity, and gender considerations for the overall project. 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, with additional details:

	Evaluation Criteria	Details	Information Source	Maximum Score
1	Strategic Fit	Commitment, capacity, and strategy to expand warehouse receipt financing, by supporting integration with financial institutions	Technical Proposal	25
2	Warehouse and product management commitment	Amount and reasonableness of commitment in terms of the number of warehouses to be managed and the volume of products to be managed. The number and types of customers to be served using grant funding (and any applicant co-investment) (The greater the number of warehouses and customers, and the volume of production, the more points to be awarded under this criterion.)	Technical Proposal and financial statements	30
3	Technical Approach	Capacity and strategy to scale up the utilization of warehouses under its management through different approaches to increase the number of farmers and value chain actors.	Technical proposal	30
4	Organizational Capacity	• Internal capacity	Technical proposal	15

		• Proposed staffing and org structure for managing the grant program • Past experience		
		Total		**100**

CATALYZE MS4G will award up to three (3) grants under this solicitation to the top scoring applicants. Applicants must achieve an evaluation score of 70 or higher to be considered.

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 amountshttps://www.acquisition.gov/far/part-31#FAR_31_000 and terminations per 2 C.F.R. 200.201 (b)(1)) - https://www.ecfr.gov/current/title-2/section-200.201
- Automated Directives System (ADS) Chapter 303 Grants & Cooperative Agreements to Non-Governmental Organizations: 303.3.25 Fixed Amount Awards to Non-Governmental Organizations - http://www.usaid.gov/ads/policy/300/303saj
- A Mandatory Reference for ADS Chapter 303: 303_mak Fixed Amount Award Entity Eligibility Checklist – http://www.usaid.gov/ads/policy/300/303mak as adapted by Palladium
- A Mandatory Reference for ADS Chapter 303: 303_mat Fixed Amount Awards to Non-Governmental Organizations - http://www.usaid.gov/ads/policy/300/303saj as adapted by Palladium
- ADS 302.3.4.13 Grants Under Contracts (GUCs) - https://www.usaid.gov/ads/policy/300/302

- 2 C.F.R. 200.1 Definition Fixed Amount Awards - https://www.ecfr.gov/current/title-2/section-200.201
- 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.) - http://www.usaid.gov/ads/policy/300/303mak

- 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)) - https://www.ecfr.gov/current/title-2/section-200.201

c. **Reporting**

Deliverables required for success fee payment

Each of the successful operator applicants under this RFA will have a monthly success fee payout until reaching the agreed grant ceiling. The grantee shall invoice CATALYZE monthly based on the total volume of produce taken in.

Proof of product uptake

The proof expected from the warehouse operators shall be a certified warehouse receipt issued for the preceding month.

CATALYZE MS4G reserves the right to audit documentation of Receipts at any time, as the project conducts Monitoring and Evaluation (M&E) verifications. The operator will be required to submit additional reporting periodically on customer profiles, customer retention after the free trial period, access to finance, etc (reporting format will be provided by CATALYZE MS4G upon award). Participating grantees agree to comply with and respond to CATALYZE MS4G requests for information.

d. **Branding & Marking Requirements**

Should successful applicants have the plan to publicize any document relating to this grant, they 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 for approval.

d.   **Environmental Compliance**

The grants program anticipates funding only activities that fall under the categorical exclusions of "USAID Environmental Guidelines". 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.