



Issuance Date	January 5 th , 2025
Closing Date /Time for submission of the Applications	By January 20 th , 2025, 11:59 p.m. EAT
Estimated Grant Period of Performance (PoP)	Two years

Subject: Notice for Funding Opportunity (NOFO) #IRiS-NOFO-009-2024 for Local level milk collection and value addition Activity

Dear Prospective Applicants:

The Inclusive Resilience in Somalia (IRiS) program is seeking grant applications from solar equipment supply companies or financial institutions willing to include small scale solar-powered milk cooling and processing machine as one of their existing products and interested in implementing Value chain or micro asset financing for women engaged in local-level milk collection and value addition.

IRiS intends to make an award to the applicant responsible whose application best meets the requirements of this NOFO, and the Merit Review Criteria contained herein. While more than one award is anticipated as a result of this NOFO, IRiS reserves the right to fund any or none of the applications submitted.

To be eligible for the award, the applicant must provide all information as required in this NOFO and meet eligibility standards in Section 3 of this NOFO.

If you decide to apply, it should be received by the closing date and time indicated at the top of this cover letter via email attachment to iris.grants@dt-global.com.

Applicants must meet the requirements of eligibility for this Notice of Funding Opportunity (NOFO), those who do not will be disqualified.

The grant(s) will be awarded and implemented in accordance with U.S. government regulations governing grants and the Project's internal grant management policies.

Potential awardees will be subject to a pre-award risk assessment that will be conducted by the IRiS Program and may include a pre-award visit to the applicant's place of establishment. A positive risk assessment will confirm that the awardee possesses, or has the ability to obtain, the necessary management competence in planning and carrying out project activities and that it will practice mutually agreed upon methods of accountability for funds provided by IRiS program.

Pursuant to 2 CFR 200 Subpart E and 2 CFR 700.13, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable and allowable expenses, both direct and indirect which are related to the grant activity and are in accordance with applicable cost standards (2CFR 200 Subpart E for non-profit organizations and educational institutions, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations), may be paid under the Award.

Awards shall be made and administered in accordance with all pertinent USAID policies and regulations.

For non-U.S. organizations, the ADS 303mab, Standard Provisions for Non-U.S. Non-governmental Organizations and 2 CFR 200, where incorporated, will apply.

The IRiS program may issue one or several grants and reserve the right to fund any or none of the applications submitted. Issuance of this NOFO does not constitute an award commitment on the part of IRiS, nor does it commit the program to pay for costs incurred in the preparation and submission of an application. Further, IRiS reserves the right to reject any or all applications received if such action is in the best interest of the IRiS project. Applications are submitted at the risk of the Applicant; should circumstances prevent making an award, all preparation and submission costs are at the Applicant's expense.

Thank you for your interest in Inclusive resilience Program in Somalia (IRiS)

Sincerely,

Robert Mwadime Ngolo

Chief of Party • IRIS

This RFA consists of the following sections:

- Section 1–Description of the Funding Opportunity
- Section 2–Award Information
- Section 3–Eligibility Information
- Section 4 – Application Questions and pre-application conference
- Section 5 – Application and Submission Information
- Section 6 - Evaluation of Applications
- Section 7 – Annexes

Section I – Description of the Funding Opportunity

Activity Summary

The Inclusive Resilience in Somalia (IRiS) project is a five-year program (2022-2027) funded by USAID and the Foreign Commonwealth Development Office (FCDO). The program is being implemented by DT Global and other consortium partners, including Save the Children, Mercy Corps, Somalia Agriculture Technical Group (SATG), and ITAD. Since 2022, IRiS has been working in Benadir, Hirshabelle and Jubaland regions within USAID's Geographic Focal Zones (GFZ). (Refer to map figure one)

IRiS implements an inclusive market systems transformation approach using grant and non-grant partnerships to improve households' livelihoods through improved business and system-wide resilience. The program strengthens partners' capacities to improve market systems in agriculture, livestock, fisheries, financial inclusion, and energy sectors.

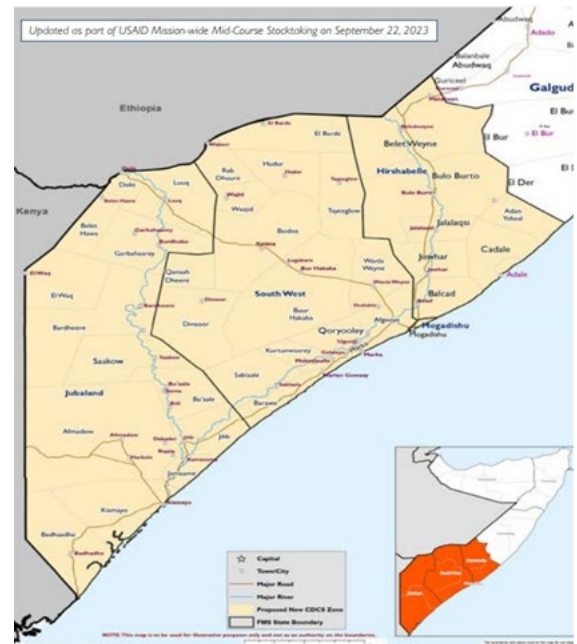


Figure 1 USAID's Geographic Focal Zone in Somalia

Somalia urban population is rapidly growing due to high levels of rural-to-urban migration prompted by economic opportunities and displacement as result of conflict and climate related shocks. The country has an urban population of 8.6 million, comprising 46.5% of Somalia's total population. 54.6 % of the urban population live below the national poverty line of \$2.06 per day. The national unemployment rate in the country stands at approximately 19%, with women facing a higher unemployment rate of 24.86%. Moreover, the nation hosts a large IDP population of 3.8 million, of whom 75% live on less than \$1.92 per day.

IRiS envisions the integration of urban poor and IDPs into the urban economy by addressing underlying causes of market failure that inhibit their gainful participation. These include limitations in infrastructure, supply of efficient technologies, access to financial services, skill training, access to domestic and international markets, and business enabling environment. This intervention aims to address constraints in support functions access to improved technologies to locally collect, process and redistribute milk and milk products.

Program Description

This intervention is targeted at Solar based technology suppliers and financial institutions who are interested in a sustainable supply of solar-powered small-scale milk cooling and processing facilities, providing after-sales service, and training on equipment utilization. IRiS will leverage the set-up cost of value chain financing or micro asset lending and the sale of the first 100 units. In this partnership, IRiS will cover 46% of the cost of the technology for the first 100 units sold to women and youth as a smart subsidy. In comparison, the company or financial institution is expected to be provided 46% loan through value chain financing or micro asset lending and, and 8% contribution comes directly from the youth and women who are accessing the technology.

The intervention will be implemented in Mogadishu, Kismayo, Baidoa, Balad, Jowhar, Beledweyne, and Awdheghe to stimulate demand in areas with high milk potential.

Features of the Credit Guarantee Scheme

Technology suppliers

- I. Develop guidelines and strategy for value chain financing scheme
- II. Assign budget for value chain financing or sign an agreement with financial institutions to cover 46% of the cost of technology through loans
- III. Develop marketing materials to undertake marketing campaigns
- IV. Undertake marketing campaigns in targeted areas to purchase the machines
- V. Provide after sells service
- VI. Provide training on equipment utilization
- VII. Install the machine for women and youth buying the technology
- VIII. Using success stories from pilots to attract more customers to the financing model

Financial institutions

- I. Develop guidelines for micro asset lending
- II. Selecting and on boarding partner who are supplying solar powered milk cooling and processing technologies
- III. Signing agreement with machine supply companies to undertake after sales service and provide warranty for the machine at least for the loan period
- IV. Develop marketing materials to undertake marketing campaigns
- V. Undertake awareness creation and marketing campaign to attract applicants for the credit facility
- VI. Provide the machine through Murabah financing model using the machine itself as collateral
- VII. Uder take supportive supervision for those accessing the technology
- VIII. Using success stories from pilots to attract more customers to the financing model
- IX. Provide training and after sells service in partnership with technology suppliers

Terms of Disbursement: The grant will be disbursed based on the achievement of predetermined milestones as set out in the grant agreement that reflects the grantee's lending performance and utilization of the guarantee facility.

Leverage effect

Through value chain financing or micro asset lending, the grantees are required to provide 100 units of Solar powered milk cooling and a processing machine to 100 MSMEs over the life of the grant agreement with an average cost of \$3000 per unit. Subsequently, the grantees are required to conduct market campaigns through six target locations and provide Training and after sales service to the participants.

Gender and Inclusivity in the MSD

The primary gender and inclusivity objective of this activity is to ensure that women, youth, and people with disability are not marginalized because of their inability to provide formal credit history or pledge land, buildings or other assets as collateral for the loan. IRiS will mainstream the inclusion of women, youth, and people with disability in this activity by:

- i. Success full applicants guaranteed loan offerings will encompass Women's Economic Empowerment as part of its core mandate.
- ii. Grantees will be encouraged to have gender-sensitive processes and training materials/tools with modules on gender sensitivity in service delivery.
- iii. Grantees will be required to develop gender-sensitive financial products, especially those targeted at PWD and Youth.
- iv. IRiS MEL systems will rigorously measure uptake and impact for women, youth, and other marginalized groups (minimum quarterly).

Grant activity Outputs and outcome

IRiS' partnership with the grantees is projected to contribute to the following performance indicators:

Output and outcomes

- 100 MSEs access small scale solar powered milk cooling and processing machine, training and after sales service
- 1500 milk collectors and 4,500 farmers access sustainable market for their milk
- 6 Marketing campaigns conducted, one per location
- 100 MSEs access after sells service

Indicators

- Number of enterprises directly or indirectly supported by USG Micro, Small and Medium enterprise resources.
- Number of individuals participating in USG supported food sector programs
- Number of private sector enterprises that engaged with the USG to support U.S. Foreign Assistance objectives
- Number of private sector enterprises with improved participation in the local economy as a result of USG assistance

- Number of individuals in the agriculture and food system who have applied improved management practices or technologies with USG assistance [IM-level]
- Value of annual sales of producers and firms receiving USG assistance [IM-level]
- Change in net additional income of target project participants

Section 2 – Award Information

i. Estimate of Funds Available

Subject to the availability of funds, the IRiS Program intends to provide up to USD 200,000 to the successful grantee/s over a 24-month period.

ii. Type of Award

IRiS plans to negotiate and award to negotiate and award a Fixed Amount Sub Award (FAS) grant to successful financial institution applicant. Under the Fixed Amount Award all payments will be a fixed sum payable upon completion of milestones, which will be defined in detail during grant agreement negotiations.

iii. Number of Awards Contemplated

IRiS intends to award two (2) FAS Agreement pursuant to this NOFO to the responsible applicant whose application conforming to this NOFO offers the greatest value to the IRiS. However, IRiS at its discretion may make awards to more than one organization.

Note: *The IRiS may (a) reject any or all applications, (b) accept other than the lowest cost application, (c) accept more than one application, (d) accept alternate applications, and (e) waive informalities and minor irregularities in applications received*

iv. Start Date and Anticipated Period of Performance

IRiS anticipates making an award no later than February 28th, 2025. The period of performance anticipated herein is 24 months.

Section 3 - Eligibility Information

Only Banks, Microfinance Institutions (Financial Institutions) and suppliers of solar-powered small-scale milk cooling and processing equipment that are licensed and regulated by the Central Bank of Somalia and Ministry of Commerce that have been operating at least 3 years in Somalia, and have been lending to SMEs within the crops, livestock, fisheries, and energy sectors in Somalia are eligible to apply.

Eligibility Criteria

Applicants are required to satisfy the following criteria -

- Be registered by the Central Bank of Somalia (attach a copy of the Applicant's valid registration). Applicants without valid registration will be disqualified at the initial evaluation stage.
- Demonstrate that the organization has human resources and capacity to manage and implement a credit guarantee scheme.
- Have been operating for at least 3 years and submit audited financial statements.
- Have experience in lending to SMEs in the productive sectors. i.e., agriculture -Fish, farming, and livestock.

- Provide evidence that they have previously administered a loan/credit guarantee scheme to partially underwrite risk on loans.
- Not be identified in the System for Award Management (SAM) as ineligible to receive U.S. government funds.
- Not appear on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, or “OFAC List.”
- Not listed in the United Nations Security designation list.
- Be willing to sign and submit required certifications before awarding the grant.
- All selected grantees are required to obtain a **unique entity identifier (UEI) number** before an award is made. UEI numbers may be obtained online at [SAM.gov | Home](https://sam.gov)

Section 4 – Application Questions and pre-application conference

IRiS will engage virtually discussions to answer questions from potential applicants and to provide an overall grant process from application to award. Therefore, if an applicant is interested in attending such a session, they should send their intention to participate and questions that they would like addressed in writing to: iris.grants@dt-global.com not later than **January 11th, 2025, 11:59 p.m. EAT**

The virtual pre-conference is scheduled **for January 12th, 2024, from 10:00a.m to 4:00 a.m. EAT.** The IRiS activity and DT Global reserve the right not to respond to or post questions that are duplicates of other questions or questions that are deemed not relevant.

Section 5 – Application and Submission Information:

The following provides instructions for the format of application.

- Applications must be submitted to the templates and format provided.
- Budget Proposal and Budget Narrative: The budget should be submitted in Annex B, in Microsoft Excel format, showing formulas, and recorded in USD. Please also submit a corresponding budget narrative that explains in detail the proposed costs of the grant activity.
- Printed hard copy submissions are not permitted.
- Incomplete submission may mean non-processing, significant delay in processing of the application, or rejection.
- All applicants should retain, for their records, a copy of their application and all accompanying enclosures.
- Applicants are kindly requested to only submit one application per organization. If a single organization submits multiple applications, the last application submitted by the organization will be evaluated.
- All applications must be in English, single-spaced, Gill Sans MT 12 font, sized to print on A4 size bond paper, with each page numbered consecutively. All application documents must be submitted in Microsoft Word and PDF format. Applicants should strictly observe the maximum number of pages allowed according to the table below.

Section/Description	Maximum Page Number / Text Limits
---------------------	-----------------------------------

Part 1: Applicant information	1 page
Part 2. Grant Activity Proposal	
Proposed Grant Activity Details, Executive summary and justification and background	2 pages
Grant activity Goals and Objectives, expected results and Target groups	1.5 pages
Description of Grant Activities	2.5 pages
Staff plan	1/2 page
Part 3 – Institutional Capacity	
Brief description of the organization, Organization’s Experience, Organization’s Experience, and annual Revenue Review	2.5 pages
Budget and Budget Narrative	No page limits
Application Annexes	No page limits

All applications in response to this NOFO shall consist of a technical proposal and a budget proposal with narrative (The technical proposal must be no longer than 10 pages in length excluding supporting documents and CV of the proposed key staff members, which the Applicants are required to submit (please see the Application Form), will not be counted toward the 10 pages limit. The cost proposal shall be submitted as a separate file from the technical proposal. Applicants are advised to fill in the budget form as detailed as possible and include a Budget Narrative. Lump sums will not be accepted. All the materials of the application package must be submitted in one email prior to the application deadline.

According to the Mandatory Standard Provisions for Non-U.S., Non-governmental Recipients, uniform administrative requirements on cost principles for federal awards 2 CFR 200, Subpart E, Cost Principles, and Cost Principles for Commercial/For-Profit Organizations (48 CFR 31.2 Federal Acquisition Regulations), taxes, including value added taxes, are not allowable costs where an exemption or refund of such taxes mechanism exists. Please do not budget taxes of any kind in the project budget breakdown.

Section 6 – Evaluation of Applications

The criteria presented below have been tailored to meet the requirements of this NOFO. The applicant should note that these criteria serve to identify the significant issues that applicants should address in their applications, and to set standards against which all applications will be evaluated.

Application evaluation and selection criteria:

Evaluation	Expectations	Max Score
Capacity	The applicant has the adequate capacity such as specific technical skills and expertise, previous experience in the proposed intervention (small scale solar powered milk cooling and processing machines or micro asset financing in partnership with technology suppliers) and financial	30

	capacity to meet the required deliverables in the proposed initiative (Establishment of value chain financing or micro asset leading for solar powered milk collection and processing units and other dairy related technologies)	
Existence of Market demand	There is demand for the proposed small scale milk cooling and processing technology without smart subsidy (The applicant should justify the existence of market demand in one paragraph in their application). Women engaged in milk collecting and processing has the capacity and willingness to purchase and utilize the small scale solar powered milk cooling and processing unit	20
Business model	Clear pro poor business model to sustain value chain financing or micro asset lending in profitable manner without additional support from donor agencies. clear revenue streams and cost structure indicating the profitability of the business model Tailored repayment modality, embedded services like training, after sales service, and application support service that stimulates women to adopt the new technology	15
Sustainability	The technology supplier or financial institution provide the technology through value chain financing or micro asset lending sustainably to women engaged in milk collection and processing. (The applicant should explain in one paragraph how the supply of the technology will be sustained and how it will diversify the set dairy related technologies)	15
Environment	The technology reduces carbon emission through replacing fossil fuel-based technologies utilized to cool and process milk	10
Inclusion	Clear strategy for including marginalized population (women, disability, minority groups, etc.)	10
Total		100

Section 7 – Annexes

Annex A- Application Form

Annex B- Budget template.

Annex C- Application checklist.

Annex C- Application checklist.

Please submit the following annexes and materials to include with your application.

1. Technical proposal Application Form (Annex A).
2. Budget proposal with narrative (Annex B).
3. Copy of your organization' registration certificate.
4. Copy of your organization's tax compliance if available at the time of submission, if not available please state why. This will be a mandatory requirement prior to award if your application is being considered.
5. A copy of your organization's Articles of Incorporation.
6. Copy of your organization's organizational chart.
7. Copy of your organization's personnel, financial policies and procedures.
8. Copies of financial reports for the previous 3-year period (which have been audited by a CPA or other audit agency satisfactory to USAID, if available).
9. Copy CVs of your key staff.