



# FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

## USAID-ERRA PARTNERSHIPS OPPORTUNITY: KENYA CALL FOR APPLICATIONS: JOB CREATION IN AGRIBUSINESS EXPORT SECTORS USAID-ERRA KENYA ANNUAL PROGRAM STATEMENT ADDENDUM

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| <b>Title:</b>                                       | Job Creation in Agribusiness Export Sectors in Kenya  |
| <b>Annual Program Statement (APS) No:</b>           | APS-ERRA-001  |
| <b>Issuance date:</b>                               | January 29, 2024  |
| <b>APS:</b>   | APS can be accessed here:<br><a href="https://www.trademarkafrica.com/erra/erra-aps/">https://www.trademarkafrica.com/erra/erra-aps/</a>  |
| <b>Application deadline:</b>                        | Applications will be accepted at any time until the closing date and evaluated based on the funding availability, programmatic needs, and staffing resources available from USAID-ERRA.   |
| <b>Potential applicants' consultation meetings:</b> | N/A   |
| <b>Communication e-mail:</b>                        | Any questions about this addendum and applications should be addressed/submitted to:<br><a href="mailto:erragrants@trademarkafrica.com">erragrants@trademarkafrica.com</a>  |
| <b>Response to questions:</b>                       | Responses to questions raised by potential bidders will be posted on the website on a rolling basis until the close of the call.  |
| <b>APS Addendum closing date:</b>                   | April 15, 2024, 11:59 PM EAT  |
| <b>Application Process:</b>                         | <p>The call for application, review, evaluation, selection, award, and implementation process is summarized below:</p> <ol style="list-style-type: none"><li>I. Applicants review APS and associated requirements.</li><li>ii. Applicants submit questions regarding the process or activity before the application deadline.</li><li>iii. Applications are submitted using the APS application portal.</li><li>iv. TradeMark Africa (TMA) evaluates applications on a rolling basis.</li><li>v. Applicants whose concept notes have been shortlisted will receive the full RFA and will begin co-development and due diligence with the USAID-ERRA team.</li><li>vi. Applicants that complete the co-development process and the due diligence without significant</li></ol> |

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|  | <p>negative findings will be eligible to submit a full application.</p> <p>vii. TMA will inform the successful applicant of their approved award funding.</p> <p>viii. Partnership activity is implemented as stated in the grant agreement.</p> <p>Please refer to Sections 5 through 6 in this addendum for full details on the application process, as well as terms and conditions.</p> |
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**Overview of USAID-ERRA:**

The USAID Economic Recovery & Reform Activity (USAID-ERRA) program is designed to promote resilient transformative trade and investment reforms in the Eastern Africa region, accelerating recovery from the negative socio-economic impacts of the COVID-19 pandemic while advancing East Africa’s self-reliance, sustainable economic growth capacity, competitiveness, and environmental sustainability.

This activity aims to promote resilient transformative trade and investment reforms in East Africa. This will accelerate recovery from the negative socio-economic impacts of the COVID-19 pandemic while advancing East Africa’s self-reliance, sustainable economic growth capacity, competitiveness, and environmental sustainability.

USAID-ERRA is inviting concept notes in **export and regionally oriented value chains in Kenya**, leading to **increased numbers of jobs created or preserved** at the firm and/or processing level. This will lead to improved business competitiveness and growth, creating jobs, including for women and youth.

**Geographic Requirements.** Grantees who are successfully awarded a contract are required to target beneficiaries within Kenya directly.

**Overarching priorities under the Kenya Job Creation Addendum under USAID-ERRA:**

- Increase Kenya’s trade and investment in agricultural sectors within the region, continent, and with the U.S., focusing on increasing the exports of firms in the textile and apparel value chain and the agricultural sector. This will result in significant exports, sales, employment, and investment growth.
- Increase the productivity or value addition in agricultural processing companies in Kenya, leading to an expansion in regional exports of value-added products and an increase in the number of jobs at the processing level and along the supply chain.
- Increase access to new markets and expansion in existing markets for Kenyan firms, leading to growth of exports into the region, to the United States, or other markets and increased jobs, especially focused on women and youth.
- Introduce new green technologies or innovations leading to improved profitability and competitiveness in the agricultural sector, impacting the creation of new jobs.







## Priority Sectors under this Addendum:

The focus sectors under the Kenyan Job Creation addendum are **the cotton, textile, and apparel sectors and the agricultural sector, specifically focusing on horticulture, livestock, and fisheries**. We will prioritize the development of job creation and export opportunities focused on regional or export trade in the horticulture, livestock, and fisheries or cotton, textile, and apparel sectors. We will also encourage partnerships in these sectors that have a direct, positive impact on the environment, such as those involving renewable energy, energy efficiency, or nature conservation. USAID-ERRA deliberately creates equal opportunities for women and youth in these targeted export sectors, so implementing partners must demonstrate how women or youth will actively benefit from their project.

## Illustrative Interventions for Kenya Job Creation under USAID-ERRA:

- Increase Kenyan firms' exports in the textile and apparel value chain. This could be done by facilitating trade deals (through AGOA) into the US and other markets or increasing the supply of locally grown or made materials to Kenyan companies for export. It could also include promoting new technologies (processing or digital) that expand production and trade, improving product competitiveness. This will have a direct link to increased job opportunities.
  - Ensure that smallholder farmers, including women and youth, are involved in supplying cotton and other products to Kenyan textile and apparel companies; create viable models of sourcing from vulnerable farmers, emphasizing capacity building and mentorship.
  - Increased productivity or value addition in agricultural processing in Kenyan companies leading to an expansion in regional and international exports of value-added products and an increased number of jobs.
  - Increased access to new markets and expansion in existing markets, leading to the growth of Kenyan agricultural exports into the East Africa region, the United States, or other markets, resulting in increased exports and increased jobs at the firm and processing level.
  - Increased access to finance for Kenyan firms, for example, attracting Foreign Direct Investment (FDI) to achieve sizable growth and impact of export-oriented firms, directly linked to creating new jobs.
  - Support for apparel or agricultural manufacturing processes that aim for zero-waste, for instance, implementing green technologies, such as solar or wastewater treatments that recycle and purify water for reuse, minimizing waste and reducing dependency on freshwater sources. This would lead to lower running costs, improving the profitability and competitiveness of Kenyan firms.
  - Promoting circular economy production, for instance, circular waste reuse (as above) or adopting technologies that recycle textiles, minimize off-cuts, or repurpose them into new products reduces the industry's reliance on virgin materials.
  - Support to Kenyan companies or projects creating jobs in environmentally and socially sustainable activities in agriculture, agribusiness, or CTG, for instance, in waste management and recycling within these sectors.
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- Allocate resources and incentives for women-owned and women-led Kenyan companies or in sectors that are women and youth-owned or led, ensuring their active participation and leadership within the sector.
  - Promote sustainable aquaculture practices in Kenya, prioritizing the engagement and empowerment of women and youth. This will lead to improved livelihoods and economic growth in communities and increased jobs for women and youth-led enterprises.

Note: USAID-ERRA focuses on job creation in export development sectors, so it will prioritize companies that can create or sustain jobs for more people.






## 1.0 Eligible Applicants:


- Applicants can include financial institutions, investors, businesses, business service organizations, industry/sector organizations, trade, or other private sector associations. Applicants may also submit as a consortium that includes multiple institutions under one concept, but please clearly indicate the lead partner ultimately responsible for implementation. Should there be questions about whether your entity is eligible, please submit your inquiry to [erragrants@trademarkafrica.com](mailto:erragrants@trademarkafrica.com)
- Applicants must demonstrate that it falls into one of the grantee categories below:
  - Private Sector Companies – both local (within East Africa) and international (outside of Africa) firms, subject to ADS 310 (Source and Nationality Requirements) <https://www.usaid.gov/sites/default/files/2022-12/310.pdf>.
  - Foreign Organizations (referred to as non-U.S. NGOs) are either non-profit or for-profit organizations that meet the definition in 2 CFR 200.47 (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1>).
  - Non-profit Organizations: Organizations that meet the definition of 2 CFR 200.70 <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1>.
- In addition, an applicant must be organized under the laws of the country where it has its principal place of business or operations and submit the following mandatory documents (see section 2.0 below for ineligible applicants).
  - Minimum of five years experience in the priority sectors as per the Call for Application in Kenya
  - Certificate of Registration or equivalent
  - Valid Tax Compliance Certificate or equivalent
  - Copy of VAT / TIN / PIN / Social Security Certificate or equivalent
  - Signed Code of Conduct

Prior experience with USAID or other US Government entities is optional. TMA encourages concepts from potential new partners.

## 2.0 Ineligible Applicants:

- Any organization not legally organized under the laws of the country in which it has its principal place of business or operations in;
  - Any entity listed in the U.S. government Excluded Parties List.
  - Any entity unable to obtain a Unique Entity ID (SAM).
  - Any entity excluded in the US Government System for Award Management.
  - Any Government Entity/parastatal.
  - Any Public International Organization (PIO);
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- Any entity affiliated with TMA or USAID-ERRA directors, officers, or employees.
  - Any projects involving involuntary resettlement, child labor, or significant environmental impacts.
  - Any military organization.
  - Any political party organization.
  - Any entity focused solely on religious activities.
  - Any labor unions.
  - Any individuals.

### **3.0 Eligible Activities:**

Given the emphasis on market-based solutions, we will only consider working with eligible applicants to present ideas that would only be possible with support from USAID-ERRA. We will *not fund* existing operations or ‘business as usual.’ We are interested in supporting solutions that would not be possible within the same timeline or on the same scale without support from USAID-ERRA.

### **4.0 Current Funding:**

USAID-ERRA anticipates issuing performance-based grants ranging between US\$100,000 and US\$1,000,000. Applicants with lower or higher funding thresholds outside the above range will be considered in exceptional circumstances.

The partner is expected to demonstrate what they will fund, what they are requesting USAID-ERRA to fund, and how it will notably impact addressing job creation, exports, and investment.

USAID-ERRA prefers that grant funding for loans or equity investments mobilize other investments as part of their cost share. Proposed activities by applicants should leverage a cost share of at least 1:1. The matched funding must be secured and accessible.

However, smaller leverage ratios may be considered in the event of specific market contexts or other high “returns” within a short period, such as the ability to trigger growth in the value of exports or additional jobs created. This cost share can include but is not limited to matched funding from the grant awardee, equity capital (internal or external) raised<sup>1</sup>, or debt capital mobilized from financial providers.

### **5.0 Application Submission Information**


#### **a) Question and Submission Requirements**

Any questions related to this call must be submitted to USAID-ERRA through the email [erragrants@trademarkafarica.com](mailto:erragrants@trademarkafarica.com). USAID-ERRA will publish responses to questions on this addendum on a rolling basis.

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<sup>1</sup> An equity investment is defined as the purchase of shares of a company and a loan investment is defined as the use of funds to provide credit to stakeholders.





Questions must be submitted in writing; phone calls will not be accepted. TMA will circulate queries and requests for clarification and responses on the website that it believes may interest other offerors. Only the written answers issued by USAID-ERRA will be considered official and carry weight in the application process and subsequent evaluation. Any verbal information received from TMA employees or any other entity should not be considered an official response to any questions on this addendum.

### **b) Application Submission Requirements**

Interested applicants must submit a concept note via the USAID-ERRA portal [www.trademarkafrica.com/erragrants/](http://www.trademarkafrica.com/erragrants/) to apply for funding. Concept notes should strictly follow the CONCEPT NOTE TEMPLATE instructions. They should include technical details of the proposed project, a brief description of partners (private, NGO, etc.) with whom the applicant proposes to partner if applicable, an itemized budget estimate, and details on the applicant company and track record of performance. Applications will be accepted on a rolling basis within the deadline timeframe.

Applications under this addendum must be filled out in English using the application form/template provided in Annex. Applications and any other required supporting documentation should be submitted through the application portal: [www.trademarkafrica.com/erragrants/](http://www.trademarkafrica.com/erragrants/) in an electronic zipped format by 11:59 PM (Kenyan local time) on April 15, 2024. **Please note that the maximum size of each email with attachments must not exceed 5MB.**

Applicants must strictly adhere to the requirements of the USAID-ERRA APS and this addendum. Shortlisted applicants will be contacted for further steps in the application process. Please include the addendum number in any response to this.

We encourage all interested applicants to read the entire USAID-ERRA APS at <https://www.trademarkafrica.com/erra/erra-aps/> for more information.

### **6.0 Selection Criteria:**

USAID-ERRA will apply a streamlined two-stage review and selection process, beginning with submitting a concept paper with a high-level budget. Only shortlisted applicants will be sent a request for an application to initiate Stage 2 of the selection process, the entire application (technical & cost) development, and submission. Submitted complete applications will undergo a second round of reviews, resulting in final award selection.

| Evaluation Criteria | Score |
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| 1. Technical        |       |



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| <p><b>Concept and objectives.</b> Describe the challenge the project seeks to address, the proposed solution i.e. the novel idea to create job creation, increased exports, food insecurity and resilience through trade and investment in Kenya.</p>  | 20 |
| <p><b>Proposed cost-share.</b> Explain what the applicant will fund, what they are requesting USAID-ERRA to fund, and how it will make a notable impact on addressing job creation, exports, and investment<sup>2</sup>. USAID-ERRA prefers that grant funding used for loans or equity investments should mobilize private capital at least equal to the value of the grant. Applicants should clearly note the anticipated leverage ratio in their concept notes. Small leverage ratios may be considered in the event of certain market contexts or other high “returns” elsewhere, such as the ability to trigger growth in the value of exports.</p>  | 10 |
| <p><b>Results.</b> Describe the expected outcome(s) and how the proposed new business approach aligns with the objectives stated in this addendum. Estimate how many individuals will benefit, by how much, and any available demographic information for those individuals (e.g. men, women, youth, etc.). This may include (but are not limited to) concepts that: incorporate multiple countries for regional benefits, reach large vulnerable populations, can quickly ramp up production of an export focused value chain, or otherwise present a significant opportunity to accelerate job creation, or sustaining jobs. In summary, concepts that demonstrate the potential for large scale impact on vulnerable populations are preferred. Applicants should note how they plan to capture and report on the development impact.</p> | 20 |
| <p><b>Additionality and the value of the partnership.</b> What is the degree of innovation contained in the project approach – in terms of a new approach or an application of new approach in a new context or geographic location? This could include greening innovations to mitigate impact on the environment or digital innovations to improve traceability or effectiveness. Also indicate any partnerships and how those partnerships will help to solve the problem identified.</p> <p>Explain how the proposed concept is a departure from the status quo and how USAID-ERRA grant will produce demonstrated additionality<sup>3</sup>.</p>  | 10 |

<sup>2</sup> Applicants will need to contribute a cash or in-kind investment to the proposed activity equal to or greater than the value of USAID-ERRA’s grant. A cash contribution is a transfer of funding from the private sector entity to pay for goods and services that will specifically and exclusively be used to implement activities under the partnership, or a transfer of funding to be used in making loans or equity investments under the partnership. Please note that neither the “Investment from Applicant” nor the “Investment requested from USAID-ERRA can cover business-as-usual operating costs.

<sup>3</sup> Additionality is defined as to which activities (and associated results) are larger in scale, are at a higher quality, take place more quickly, take place at a different location, or take place at all as a result of a donor intervention. Source: Donor Committee for Enterprise Development (DCED). The net positive difference expected to result from a donor-business partnership, (i.e., the positive change that otherwise would not happen without public support). For example, a concept may outline the accelerated speed at which they can achieve their objectives with the grant funding as opposed to the absence of it. Concepts that demonstrate co-investment by the applicant company are encouraged.





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| <b>Sustainability and scale.</b> Describe how the proposed idea can be sustained and expanded beyond the life of the partnership's period of performance. Explain how the proposed partnership will attract additional private sector investment/resources, if relevant.   | 10         |
| <b>The business, community, or wider ecosystem impact.</b> Describe how this concept will create positive change at the business, industry, community, local/national/regional/continental ecosystem levels, what the benefits to the applicants will be, and what additional benefits will be created externally (e.g. new jobs created, jobs maintained, additional financing for companies which lead to their growth, higher exports of crops, inclusive supply chains). | 10         |
| <b>Total score for technical viability</b>   | <b>80</b>  |
| <b>2.Organisation capability: Current capacity and the future of the organization</b>  |            |
| Demonstrated institutional capacity (technical human resources, institutional capacity, financial management and industry experience) to manage the proposed activity. Describe how the proposed idea can be sustained and expanded beyond the life of the partnership's period of performance within the organization.  | 20         |
| <b>Total for Organization capability</b>   | <b>20</b>  |
| <b>Total maximum score</b>   | <b>100</b> |

ANNEX 1: GRANTEES' CODE OF CONDUCT.

ANNEX 2: GRANTEES' CONFLICT OF INTEREST FORM.

*Grantees are to download the documents stipulated above, sign them, and submit them along with the concept note.*

