



**USAID**  
FROM THE AMERICAN PEOPLE

**Issuance Date:** July 17, 2019

**Closing Date:** 14 days from issuance date (July 31, 2019)

**Grants maximum amount:** range between \$50,000 and \$250,000

**Anticipated Number of Grants:** multiple grants up to \$750,000

**Subject: Palladium's Request for Applications (RFA)**

**Number RFA-LIFE- 10**

**Dear Prospective Applicants,**

Palladium is seeking applications from qualified MFIs-Financial Institutions to implement - as recipients - for the Microcredit Component under USAID "Livelihoods and Inclusive Finance Expansion" (LIFE) Project.

Palladium is implementing USAID LIFE Project under contract with USAID Contract Number: **AID-268-C-16-00002**

Grants will be administered in accordance with the following regulations as applicable:

- Automated Directives System (ADS) Chapter 303 Grants & Cooperative Agreements to Non-Governmental Organizations
- ADS 303.3.24 – Simplified Grants
- ADS 303.3.25 Fixed Amount Awards
- A Mandatory Reference for ADS Chapter 303: 303\_mak Fixed Amount Award Entity Eligibility Checklist
- A Mandatory Reference for ADS Chapter 303: 303\_mat Fixed Amount Awards to Non-Governmental Organizations
- A Mandatory Reference for ADS Chapter 303: 303\_mab Standard Provisions for Non-U.S. Nongovernmental Organizations
- A Mandatory Reference for ADS Chapter 303: 303\_maa Standard Provisions for U.S. Nongovernmental Organizations.
- ADS 302.3.4.13 Grants Under Contracts (GUCs)
- 2 C.F.R. 200.45 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))
- 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))

The RFA is comprised of the following main sections:

- Project Description
- Project Goal
- Funding Opportunity Statement
- Award Information
- Eligibility Requirements
- Application Submission Information
- Application Review Information
- Award Administration Information
- Other Information

Successful applicants will be responsible for ensuring 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 availability of funds, Palladium intends to provide up to \$750,000 in total funding for activities to be implemented no later than January 2021 with awards in the range of \$50,000 - \$250,000. Palladium reserves the right to fund any or none of the applications submitted.

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

Palladium requires that applications be submitted electronically (e-mailed) to **[ApplyLebanon@thepalladiumgroup.com] no later than July 31, 2019**. Issuance of this RFA does not constitute an award commitment on the part of Palladium, nor does it commit Palladium to pay for any costs incurred in the preparation and submission of an application. Further, Palladium 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. Palladium team will be conducting different meetings with all interested applicants to answer any questions related to the RFA.

Sincerely,  
Palladium Financial Services Director



## INTRODUCTION:

### 1. Project Description

LIFE is a 5-year USAID-funded project implemented by Palladium. The purpose of LIFE project is to improve economic opportunities and livelihoods of low income individuals and microenterprises by expanding and strengthening microfinance associations' and member institutions' services and enhancing entrepreneurs' business skills. To this end, LIFE will improve livelihoods, strengthen microfinance activities and advance inclusive finance. LIFE will expand inclusive finance to the unbanked and higher-risk, micro business clientele.

### 2. Project Goal

The USAID/Lebanon LIFE project will strengthen livelihoods, advance the microfinance industry, and inclusive finance, in order to improve economic opportunities for under-served entrepreneurs and recipients of microfinance services.

### 3. Funding Opportunity Statement

For the purpose of this RFA, the project will use grants to support achievement of LIFE results under Component 2- Microcredit.

LIFE will use grants to stimulate investment **in Fintech solutions**, as significant a driver of inclusion, and support financial institutions in implementing Fintech solutions to improve and automate the delivery and use of financial and non-financial services to the unbanked population at competitive costs. Further it will promote awareness through financial literacy program of how the application of Fintech can improve the prospects of future integration of the unbanked population in Lebanon financial eco-system.

In the last three years, the BDL "Banque Du Liban" has been accentuating the role of financial inclusion to promote economic growth and socio-economic development. The regulator is calling for comprehensive financial and non-financial services for the unbanked that promote responsible finance in respect of lending, saving and financial literacy. The BDL is encouraging financial entities, to use the financial technology in order to increase the depth of outreach to the unbanked living in remote and peri-urban areas of Lebanon.

LIFE-USAID program's focus is in line with the BDL strategy towards providing comprehensive financial products and services and achieve an expended outreach to the unbanked population.



The new technologies will facilitate decision-making, foster the disbursement of loans and serve more unbanked clients in less time. FIs will spread the e-culture through potential partnerships with Fintech providers and promote awareness of financial literacy to unbanked population in Lebanon.

Fintech will help FIs in Lebanon to comply and meet Central Bank's new requirements in terms of financial reporting and loan disbursement. They have a variety of services that they could create and upgrade using the new technology.

In addition, FinTech solutions could support the internal operations of MFIs and financial institutions: reduce the costs of transactions and enhance the client's experience, as well as increasing operational performance.

Solutions include digitizing workflows "Digital Field Applications", MFIs delivery channels, credit scoring solutions, customer mobile applications among others.

LIFE will encourage partnerships between Financial institutions and digital financial services providers that would lead to the provision of financial services through innovative technologies. LIFE expects these investments to increase the outreach to the poor, improve and build management capacity, competitive edge, efficiency and effectiveness.

In order to increase financial inclusion in Lebanon through technology, within the umbrella of the regulations and policies set by BDL, LIFE is looking for Financial and Microfinance Institutions willing to use the transformative technology, smart-phones and financial technology in addressing the unbanked Lebanese population.

**LIFE intends to award grants to Financial institutions, Micro finance Institutions, NGOs and Fintech Solution Providers which have the best access to unbanked population, have prior experience making similar grants, and can clearly demonstrate their role in the expansion of financial inclusion and coordination with other community stakeholders to achieve a positive and sustainable socio-economic developmental impact in their areas of implementation. These actors will leverage their existing footprints and expertise to deliver their services to beneficiaries.**

#### 4. Award Information



- LIFE anticipates granting performance-based awards according to the proposed activities aligned with LIFE-USAID RFA's objective and applicants' eligibility assessment and capabilities.
- Grants period starts with a base period limited to 9 months.
- Grants outputs include but are not limited to a measurable expansion of the outreach for unbanked clients, improvement of workflow performance and long-term reductions in transaction costs.
- Grant amount will depend on the digital or Fintech solution proposed, anticipated results and its impact on operations, outreach and sustainability. However, no grant shall be issued for an amount exceeding \$250,000.

## 5. Eligibility Requirements

- Grants may be provided to Micro Finance Institutions, Financial Institutions, Commercial Banks, NGOs and Fintech Solution Providers that are legally registered and recognized under the laws of Lebanon and meet the criteria established by ADS 219 and LIFE project.
- MFIs/FIs must include in their applications, a clear strategy and implementation plan in response to the Fintech revolution
- Must have shown initial investments in Fintech solutions or apply digital finance technology to reduce the transaction costs, workflows, increase and improve the delivery of their financial and non-financial services
- Must be registered as a financial institution or MFI meeting the above criteria and actively providing Access to Finance services to Lebanese in underrepresented areas. Special consideration should be given to women and other disadvantaged demographics
- Must demonstrate sustainability, management performance and strategic planning,
- Are willing and able to complete the process of issuing a DUNS number (required by USAID). For more details about DUNS numbers: <http://www.dnb.com>

The Chief of Party may waive a requirement if a response to the RFA presents a valid justification, assuming approval from USAID.

## 6. Application Submission Information

- a. Applicant may obtain from the point of contact (POC) any materials needed for the application or otherwise communicate with the POC regarding the application requirements.

### POC:

Email: [ApplyLebanon@thepalladiumgroup.com](mailto:ApplyLebanon@thepalladiumgroup.com)



Subject Line: RFA #10  
Attn: Nicole Tager

b. Content and Format of Application Submission:

Applicants submit a grant concept note (up to 5 pages) that will describe the purpose of the grant aligned with the purpose of this RFA #10, timeline of activities, and organizations' programmatic and administrative capacity to reach the intended results of the grant; and a simple budget laying out the funds needed to accomplish the technical scope described in the concept note.

**Shortlisted** applicants will then be asked to provide additional information/revised application in step 2 of the application process.

c. In addition to requirements in point (b) above, applicants must submit with the concept note the following:

- Basic contact information and information regarding the status of the organization. General information includes: (1) Legal Name of Organization, (2) Mailing Address, (3) Physical Location, (4) Contact Information, (5) Organization's Legal Representative.
- Copy of organization's legal registration certificate under the Lebanese Law.
- Copy of organization's certificate listing current Board of Directors.

d. Submission Dates and Times:

Applications in response to this RFA must be delivered via email with all relevant documents to the following address:

ApplyLebanon@thepalladiumgroup.com

Subject Line: RFA #10

Attn: Nicole Tager

Lebanon Livelihoods and Inclusive Finance Expansion (LIFE)

Questions on this RFA may be submitted via email to the email address above by no later than 5 days prior to submission date.

Submission date: **July 31, 2019**. Late submissions will be disregarded.

## 7. Application Review Information

a. Applications' evaluation is a two-step process, described below:

Step 1: Evaluation of concept notes submitted by eligible applicants based on the below selection criteria and shortlisting of qualified applicants.



Step 2.a: LIFE team will notify shortlisted applicants of their qualification to the second phase in coordination with USAID COR where full grant application and additional information are required.

Additional information include but not limited to:

- Submission of DUNS and SAM Unique Identifying Numbers, unless exemption applies (awards less than \$25,000 performed by foreign entities overseas 2 CFR 25.110 (d) (2));
- Submission of required pre-award certifications, assurances, and solicitation provision;
- Submission of other risk assessment information and forms.
- Submission of required legal, identification, and personal information for USAID vetting purposes.

Step 2.b: LIFE team will notify unselected applicants of exclusion from second phase.

Step 3: Final approval by Grants Evaluation Committee based on completed pre-award assessment and eligibility determination, revision of full grant application, and verification of reasonableness of the final grant budget.

Step 4: Grant proposals approved by LIFE GEC will be submitted to USAID for approval.

Step 5: Only grant proposals approved by USAID in writing will be issued an award.

b. Selection Criteria: The selection criteria are distinct from eligibility criteria that are addressed prior to acceptance of an application. After the eligibility criteria are met, LIFE's Grants Evaluation Committee will evaluate the application based on the following criteria:

1- Relevance (25 points)

- Proposed activity is in line with LIFE objectives and goals;
- Proposed activity is in line with RFA's purpose and expected results.

2- Budget (25 points)

Activity costs are realistic and verifiable and are allowable and allocable.

3- Capacity of Applicant (25 points)

- The applicant presents evidence: technical, managerial and financial capacity to implement the proposed activity in line with this RFA #10

4- Sustainability (25 points)

- Long-term plan, next steps after the grant ends





## 8. Award Administration Information:

Award Notices: Upon approval by USAID, a Grant Agreement will be issued and mutually signed by Palladium and the successful Grantee.

Grant Agreement will include:

- Statements identifying how the award will be administered, including the mandatory and as applicable standard provisions and any approved deviations from the **Standard Provisions**.
- Reporting requirements (type of reporting: narrative, M&E and financial) and frequency.
- Statement about USAID branding and marking standards to be used in the award (see the provision entitled “Marking and Public Communications Under USAID-Funded Assistance”).
- The Project Grants Program anticipates funding only activities (i.e., education, technical assistance, or training programs) which fall under the categorical exclusions of USAID Environmental Guidelines<sup>1</sup>. Therefore, if all activities under a specific grant are identified as categorical exclusions, the Project will not conduct an Initial Environmental Examination or Environmental Assessment. However, in instances, where the proposed activity may directly affect the environment, LIFE will ensure compliance with 22 CFR 216 and the USAID Environmental Guidelines.

## 9. Other Information

- a. Palladium reserves the right to fund any or none of the applications submitted, and
- b. Palladium will not cover any pre-award expenses paid by the applicant

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<sup>1</sup> 22 CFR 216