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**CALL FOR PROPOSAL ON**

**Insurance product development for Character Referencing among Women and Youth Job Seekers in Addis Ababa**

**Livelihood Improvement for Women and Youth (LIWAY) Program in Addis Ababa Funded by Sida**

**Issuance Date: 14/11/2021**

**Deadline for Application:26/11/2021**

This Request for proposal (RFP) is an exclusive, confidential, proprietary property of LIWAY Program (represented by Mercy Corps). It may not be copied, transmitted, or disclosed by any means without the express written consent of LIWAY Program (represented by Mercy Corps).

By accepting a copy hereof, recipient agrees to:

1) Be bound by the terms and conditions contained herein (including but not limited to the confidentiality provisions),

2) Use the RFP (and any related documents) solely for evaluation purposes and for responding to this RFP and

3) Return or destroy the RFP (and any related documents) LIWAY Program (represented by Mercy Corps)’s request or upon your decision not to respond to this RFP.

1. **Introduction**

LIWAY program is currently implemented by a consortium of partners composed of SNV Netherlands Development Organization (consortium lead), Mercy Corps, TechnoServe and Save the Children International. The overall objective of the LIWAY program is to contribute to sustainable poverty reduction, improved gender relations and social stability in Addis Ababa. Specific objective of the program is to improve the livelihoods of 200,000 poor people, of which at least 50% are women and 75% youth, by increasing their income and access to economic opportunities in Addis Ababa. Sida has recently extended the program by two years up to June 2024.

Mercy Corps is leading a Labor Market System, where labor information exchange infrastructure, childcare/domestic duties and referencing (risk & trust) are identified as intervention areas through a diagnostic study in the labor market system to address key constraints which greatly affected the participation of women and youth in the market. Under this diagnostic study, it was indicated that information on available jobs and matching services focusing on semi-skilled and unskilled job opportunities is scarce and difficult to find in Addis Ababa. Competition for work is very high, and this is accentuated by rural-urban migration compared to other cities in Ethiopia. To this end, LIWAY planned to design and pilot an intervention which promotes market-based solutions & incentives that enable actors in the core market functions to improve business performance that create increased employment opportunities for urban women and youth in partnership with private implementing partners on cost share basis.

1. **Rationale/Problem Statement**

LIWAY aims to address major systemic constraints impeding women and youth from accessing employment opportunities and better paying jobs in Addis Ababa City. According to Central Statistics Agency 2016, the overall youth unemployment rate in Addis Ababa was 24.4% of which female youth experienced higher rate of unemployment (29.8%) than males (16.9%). The issue of character referencing, usually considered as trust, are particularly difficult to migrants from rural areas to Addis Ababa for many reasons. This group have no access to the socially accepted form of referencing that allows them access to both formal and informal labor markets. The character references commonly provided by permanent residents with Addis Ababa ID cards and permanent addresses are often not available to migrants and so they find both the quantity and quality of work restricted. Most employer companies’/outsourcing companies requires character reference as a precondition for recruitment. Due to the pervasive challenges in getting character references, women & youth job seekers, particularly migrants were obliged to work as a daily laborer to secure their daily subsistence. It was also reported that majority of these job seekers are aware of the importance of insurance services and are willing to use insurance products as a replacement of character referencing if it is readily available.

Thus, to propose a business model that fits and best suits LIWAY target groups (specifically youth and women without Addis Ababa ID or a character reference) and valuable inputs to influence government policy Mercy Corps through its LIWAY program conducted a detailed market study aimed at developing tailored new insurance product and/or policy input to address referencing, mainly character referencing, for the program target group. Accordingly, this is a call to interested insurance companies to go further on the product development to address the referencing problems as per the indication on the research.

1. **Objective**

The main objective of this call is to develop an insurance product as an alternative mechanism for the existing personal/character referencing and provide inputs to influence government policy to address referencing issues which LIWAY targets are facing.

This should ultimately be a **self-sustaining product that will fulfil your organisations’ profit or social mandate**. LIWAY’s support is being offered in the short term to encourage innovation for the development of the product and share the risk in its initial piloting and development.

1. **The Support Available from LIWAY**

Applicants are free to propose the exact support they require from Sida. The process will be competitive, and the applicant selected will be those that are most likely to deliver a sustainable business model which can reach scale. One aspect of that will be the degree to which the model needs financial support from LIWAY which reduces the chances of sustainability. A non-exhaustive list of the types of support available might include:

* Technical support for research to feed in to product development
* Financial support to invest in product development such as marketing materials
* Technical support on product development e.g. international experts, actuaries etc.
* Financial support to underwrite a proportion of the risk in the pilot period

1. **Scope of Work**

Based on the detailed market study conducted to address referencing, mainly character referencing, for the program target group, the insurance company will be responsible to:

* Conduct/propose further study for a specific product development.
* Develop tailored new insurance product as an alternative to character referencing for the program target group.
* Ensure the approval of the product by the National Bank of Ethiopia.
* Develop a reinsurance strategy if needed and engage the reinsurers.
* Pilot the developed product in the market for the target group.
* Based on the performance of the piloting, willing to adjust and scale it up to reach more program target groups with little or no support from the program.
* Willingness to co-invest in the process of product development and piloting.

1. **Deliverables**

Generally, the Financial Institute/Insurance company will be expected to produce and submit the following deliverables:

* Develop a new insurance product to replace the character referencing.
* Designing appropriate distribution and marketing strategy and channels.
* Pilot the product with certain number of the program target group (selected jointly).
* Design and execute a marketing strategy to stimulate demand for the product.
* Following the piloting period, expand and scale the product to reach wider number of the program target groups.
* Present the technical and financial proposal for the development and delivery of the product.
* Submit monthly and/or quarterly progress report.
* Data & technical quality assurance and analysis, including baseline and results measurement of target groups.

1. **Qualification/Eligibility Requirements**

The Insurance company/Financial institute:

* Should be legally registered to develop the product and underwrite the risk.
* Has a track record in engaging in similar engagement is a plus.
* Willingness to co-invest in the processes.
* Willingness to co-design the product for the need of LIWAY target group.
* An organization that are not prevented from receiving donor and specifically Sida funds.

1. **Application & Submission Information**

* Interested and experienced financial institutes/Insurance companies are required to send a brief technical proposal, and company profile.
* Bidders should include full package of trade licenses and Tin Certificate.
* A complete budget breakdown for the mentioned work should be provided separately and in a sealed envelope.
* The financial proposal should be detailed enough and should include any professional costs, Material costs and relevant administrative and logistic costs related to the work. It should also show the willingness and amount of cost share for the work.
* Technical and financial proposal should be sent separately to[**tenders@mercycorps.org**](mailto:tenders@mercycorps.org) or sealed in envelope can be submitted in person to Mercy Corps Addis Ababa Office Mercy corps with reference “LIWAY Insurance product development to replace Character Referencing among Women and Youth Job Seekers”.
* **Applications deadline is 26 Nov.2021 4:00 PM.**

**The Proposal Package Pickup and Proposal Submission Location:**

**Mercy Corps Addis Ababa Office, Yeka Sub-City,**

**Kebele 08, House No. 377; around Hayahulet,**

**Tel No. +251-11110777**

**or sending request by email:** [**et-tender-questions@mercycorps.org**](mailto:et-tender-questions@mercycorps.org)

**Insurance product development for Character Referencing among Women and Youth Job Seekers in Addis Ababa**

1. Applicant information

Please indicate which category your organization/business is submitting an application for:

* Private
* Government
* Other (Specify)……………………………………

|  |  |  |
| --- | --- | --- |
| 1.1 | Proposal title |  |
| 1.2 | Name of Business |  |
| 1.3 | City |  |
| 1.4 | Sub-city |  |
| 1.5 | Woreda |  |
| 1.6 | Telephone 1:  Telephone 2: |  |
| 1.9 | Fax: |  |
| 1.10 | Email address |  |
| 1.11 | P.O. Box. |  |
| 1.12 | Websites (if any) |  |
| 1.14 | Vision and Mission of your business |  |
| 1.15 | Service/Business operational since |  |
| 1.16 | Legal registration number (TIN) |  |

**Contact person responsible for the project**

|  |  |
| --- | --- |
| Name |  |
| Position title |  |
| Telephone |  |
| e-mail address |  |
| Fax |  |
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1. Indicative overall cost of the proposed project

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Budget category** | **Amount ETB** | **% of Total cost/ETB** |
| 1 | Business/own contribution |  |  |
| 2 | Third party contribution (if any) |  |  |
| 3 | Proposed financial assistance requested (Note: the value requested cannot exceed the grant ceiling of 50% of the total budget) |  |  |
|  | Estimated total project budget (in ETB) |  |  |

Duration of the Project:

Start date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ End date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Detailed business plan description

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| --- | --- | --- |
| 3.1 **Business Background**: Provide a brief introduction of your business, any relevant history and current key activities being delivered (250 characters) | | |
| 3.2 Purpose of Financial assistance: Include a problem statement and justify how the Insurance product development for character referencing to be submitted will address the underlying root cause of women unemployment and why the fund is needed. (3000 characters) | | |
| 3.3 **Target market and expected outcome:**  i) How many in total do you intend to develop a new insureance prodct to replace character reference? Over what period?  ii) Pricing and marketing strategy (How do you determine your price and promote your business to reach this targeted number of job seekers?)  iii) Competitive advantage: how will your business remain competitive enough through this new product?  iv) What economic and social benefit will this insurance product bring about? | | |
| 3.4 | **Scope of work and Methodology**  Describe the scope and approach to be undertaken. How will the plan address the problem(s) identified above for LIWAY target groups? What different modalities do you propose to use to reach and scale in creating job opportunities? (3000 characters) include statement from  How will the proposed insurance product ensure availability, affordability and access to services and flow service information needed by LIWAY target groups? (3000 characters) | |
| 3.5 | | **Sustainability & Scalability plan**  How will the product developed continue to provide the service with out further financial assistance from LIWAY? If successful, to what extent could results from this business be replicated and used? Where and how? (4000 characters) |
| 3.6 | **Monitoring and evaluation plan**  How will you assess the results of your business? Clearly indicate how the proposed business will be monitored and evaluated.  How do you plan to monitor and document the outcome of the new business plan? What do you expect to learn by undertaking the business? | |
| 3.7 | **Risk Analysis and mitigation plan**  Clearly indicate the main risks associated with the product develpment and product provision of character referencing and how will those risks be mitigated or addressed? (3000 characters). Include information on the sources and type of additional support that will be required to address the identified risks/challenges. (2000 characters) | |
| 3.8 | **Organizational & team capabilities**  Clearly demonstrate your business capability to successfully implement the proposed project and other business partners (if any with government, private, cooperative, training institutions)  Explain the capabilities of the team members (and other business partners, if applicable) to make this project a success. (2000 characters) | |

4. Annexes

Annex 1. Work-plan

Provide a work-plan that summarises the project milestones (in phases if appropriate), provides a breakdown of the activities required to achieve each milestone and specifies the expected timeframe for completion of each activity and milestone.

Annex 2. Financial Analysis

Provided financial plan which are:

* Key assumptions (e.g. Cost and location of space, materials, types and costs of fixed assets, the training hours, Training Module, price inflation…)
* Projected cash flow
* Projected profit and loss
* Breakeven Analysis

Annex 3. Budget

Provide a budget (in ETB) of expenditures and funding over the duration of the proposed project which:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Notional Budget table** | | | | | | | | | |
| **S/N** | **Budget description** | **Unit** | **Number of units** | **Unit cost/ETB** | **Third Party Contribution/ETB** | **LIWAY fund/ETB** | **Business partner/own Contribution/ETB** | | **Total Cost/ETB** |
| **Existing** | **New** |
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| **Total** | | | | |  |  |  |  |  |
| **Percentages** | | | | |  |  |  |  |  |

Annex 4. Resumes/Curriculum Vitae

Provide brief resumes of key personnel within your organisation/s that will be responsible for overseeing the proposed gig platform. These should not exceed two pages per person.

Annex 5. Organization documentation

Provide copies of the following documents

1. Renewed Licenses and/or other regulatory documentation that is relevant to the project
2. Tax registration certificate

Annex 6. Tables and graphs (optional)

If any tables and/or graphs are required to illustrate points made in responding to questions in Section 3, they should be attached as Annex 6.